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ENGLAND AND EGYPT



ENGLAND AND EGYPT

BY

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"COUNT CAVOUR, A MEMOIR;" "THE MORNING LAND;"
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TO THE READER.

THE papers composing this work, with the exception of the two entitled the Introduction and the 'Outlook for the Future,' which now appear for the first time in print, were published at various periods within the last three years in the 'Nineteenth Century.' It is with the kind permission of the proprietors of that periodical and of my friend Mr. James Knowles that I republish them in their present collected form. I have omitted a few passages in the reprinted articles which it seemed to me had ceased to have any bearing upon the thread of my argument, and I have modified one or two personal criticisms which I deemed it idle to perpetuate. But substantially these articles are republished as they originally appeared.

EDWARD DICEY.

Cairo,

June, 1881.

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ENGLAND AND EGYPT.

INTRODUCTION.

IN order to make the connection between the following articles intelligible, it may be well to give, as briefly as may be, a general outline of the chapter of History with which they deal.

In the year 1863, Ismail, the son of Ibrahim Pacha, and the grandson of Mehemet Ali, succeeded his brother Said as the fifth hereditary Viceroy of Egypt. At this date the finances of the country were in a condition of great prosperity, the revenue amounting to between four and five millions, and the total public debt not exceeding one year's income. It is fair, however, to state that the Suez Canal had been commenced under

the reign and with the sanction of Said Pacha, and that Egypt was thereby involved in considerable contingent liabilities of an ill-defined character. At the time of his accession, Ismail bore the reputation of an enlightened and liberal ruler. His own family, however, if report is true, had learnt to appreciate the greed and extravagance which formed the dominant passions of his character. It is said that on one occasion his uncle, Abbas Pacha, remarked in conversation that though for thousands of years one ruler after another had done their best to ruin Egypt, they had been baffled in the attempt by the inexhaustibility of its productiveness, but that if his nephew Ismail ever came to the throne he would succeed where all his predecessors had failed. Supposing the prophecy not to have been made after the event, its authorship speaks highly for the foresight of Abbas Pacha.

If Ismail Pacha had died during the first ten years of his reign, his record, as an Oriental Ruler, would have been a very distinguished one. He was a man of very wide, if not lofty, ambition; and was gifted with indefatigable, though misdirected, energy. Under his auspices Egypt made rapid apparent progress. The country was covered with railroads; its trade with Europe received an enor-

mous development, though this increase was due rather to the impetus given to the production of cotton through the American Civil War than to any foresight on the part of the Egyptian Government ; factories were established in various parts of the country ; the Suez Canal was completed ; a new quarter was added to Cairo ; palaces were erected broadcast ; and Egypt, to those who took a superficial view, presented all the outward appearance of rapid progress and industrial prosperity. The causes which rendered this semblance an unreality I have endeavoured to explain in the chapter which bears the heading of Egypt and the Khedive. It is enough now to say that the only symptom which, throughout this decennial period might have led the world at large to distrust the prosperity of Egypt under Ismail Pacha, was the extraordinary rapidity with which the Public Debt increased. In 1864 a loan was effected for a nominal amount of £5,700,000. In 1868 and 1870 fresh loans were effected for £3,000,000, £1,200,000, and £2,000,000 respectively, while in 1873 another loan was brought out for £32,000,000. These amounts are given in round numbers for the sake of simplicity. Besides these public debts which were formally charged to the Egyptian Treasury, the Khedive

had contracted private loans to the extent of close upon £11,000,000. In addition to this, the floating debt at the close of 1875, a period at which the financial difficulties of Egypt first came to a crisis, amounted to the enormous sum of £25,000,000 to £26,000,000.

Looking back at the past, with our present knowledge, it seems astonishing that this immense accumulation of debt during so short a period should not have thrown doubts upon the solvency of Egypt. But up to the beginning of 1876 the high rate of interest at which these loans had been contracted was paid fully and regularly, and the credit of Egypt stood high in the markets of Europe. No doubt this confidence was mainly due to the habitual reluctance of the investor to part with any stock on which large dividends are paid regularly, no matter from what source they may be derived. It is, however, fair to say that the foreign policy pursued by Egypt during this period contributed in no small degree to raise the estimate in which the prospects of the country were regarded throughout Europe. It was the fortune of Ismail Pacha to have as his Foreign Minister one of the ablest of Oriental statesmen. The Khedive himself, in as far as his greed would allow, was desirous to diminish,

if not to sever, his dependence on the Porte. Indeed, amidst his fitful ambitions I have no doubt that he cherished a hope of some day competing with the Sultan on equal terms for the supremacy of Islam. These aspirations of his were taken advantage of by Nubar Pacha, who for many years directed the foreign policy of the Khedive's Government in order to advance the independence and the autonomy of Egypt. Under his guidance, Ismail Pacha obtained a number of concessions all of which tended to render him more and more the hereditary ruler of an independent kingdom. By a Firman obtained in 1866, Ismail exchanged the title of Viceroy, which had been conceded in 1841 to Mehemet Ali and his successors, for that of Khedive, a term for which there is no exact English equivalent, but which may not unfairly be rendered by "King." He also obtained the right of altering the law of descent, so that henceforth the throne of Egypt was to descend directly from father to son instead of going, according to the ordinary Turkish law of descent, to the eldest male of the family. Thus the Khedivate of Egypt became the possession of Ismail Pacha and his direct heirs, instead of belonging generally to the descendants of Mehemet Ali. In 1873 the Khedive sought and obtained

the right of concluding treaties directly with Foreign Powers, of having vessels of war of his own, and of raising any amount of troops he might think fit. What was not less important, he also through Nubar Pacha contrived to emancipate himself to a great extent from the control of the Capitulations which previously regulated the relations of Egypt, as of every other portion of the Ottoman Empire, with the European Powers.

Thus Egypt was considered, and justly considered, in Europe as having virtually freed herself from the incubus of Turkey. The power of raising troops had been lavishly employed, and the Khedive undertook a number of armed expeditions in the Soudan and in Central Africa which seemed likely to extend very largely the area of his dominions, and to add indefinitely to the resources of his country. Thus, as I have said, during the first twelve years of his reign Ismail Pacha was looked upon abroad as the Regenerator of Egypt and the Reformer of the East.

- It was from Turkey the first blow was dealt to the credit of Egypt. In the spring of 1875, the insurrection which culminated in the Russo-Turkish war broke out in the Herzegovina. Up to this time the Porte had contrived by one means or

the other to pay the interest on its debt, and so long as this continued to be the case, the confidence of the European holders of Turkish bonds remained unshaken, notwithstanding the manifest embarrassments of the Ottoman Treasury. But in the October following the outbreak of the insurrection, the Porte suddenly declared its inability to meet its liabilities. The shock thus given affected all Oriental securities, and it soon became rumoured abroad that the financial condition of Egypt was as rotten as that of the Suzerain power. The borrowing power of Egypt was for the time exhausted ; the personal embarrassments of the Khedive increased with alarming rapidity ; and the securities he had to offer were already mortgaged if not up to their full value, yet up to the full amount which capitalists were disposed to lend. Amongst his unmortgaged assets, however, the Khedive still retained 177,000 founder's shares in the Suez Canal Company. By the terms of the award given by the Emperor Napoleon, these shares were to receive no dividend till the year 1895 ; and judging by the returns of the Canal at this period, even their prospective value was excessively doubtful. These shares were offered in the first instance at Paris as security for a loan, and the proposal was coldly received. While these

negotiations with Paris were going on, the advisability of purchasing these shares, and of thereby securing a direct interest in the Canal, was suggested to the British Government. by our then Consul-General, Colonel Stanton. The suggestion was adopted with a promptitude rare in the annals of our Foreign Office, and one morning in the commencement of November 1875, Europe was suddenly startled by the announcement that England had become one of the principal proprietors of the Suez Canal, by purchasing the Khedive's interest in the concern for the sum of £4,000,000. This purchase, though decried at the time, was, as I deem, a wise and statesmanlike measure. Viewed as a mere financial transaction, it has proved a brilliant success, as the shares for which we gave £4,000,000 five years ago are now, calculated at their market price, worth over £10,000,000. But if the shares in question had proved not worth the paper on which they were written, the purchase would still have been a prudent one to make. The Suez Canal had been constructed entirely by French agency, in the face of the continued opposition of England. The inevitable result was that the administration of the whole concern was animated by a spirit of absolute indifference, if not of positive hostility, to British interests.

So long as peace prevailed this was a matter of comparatively little importance. Nine-tenths of the traffic through the Canal consisted of British merchandise, sailing under the British flag. The necessities, therefore, of the Canal as a commercial speculation afforded an adequate guarantee that in time of peace the concern would not be administered in such a way as to interfere with our maritime trade. But in the event of an European war, commercial considerations must inevitably give place to political exigencies. Our highway to India, the most important link in the communications between the British Isles and our Eastern Empire, lay under the exclusive control of a company devoted—and rightly so—to French interests, and in whose management England had no voice or part. Now, supposing that in any war between European Powers, the interests of France, whether as belligerent or neutral, were not identical with those of England, it is obvious that the latter must have been sacrificed to the former. No doubt England, so long as she commands the seas, could in case of necessity have compelled the Canal authorities to remove any restrictions upon her free power of transit through the Canal ; but such compulsion could not have been applied without a

rupture with France, which it might easily have been of the utmost importance to us to avoid. As things now are, the danger to which I have alluded is materially diminished, though not absolutely removed. England has obtained a direct interest and voice in the administration of the Canal. No steps injurious to our interests can be taken without our knowledge, or even without our sanction. In other words, the purchase of the Khedive's shares converted the Canal from a French into an Anglo-French enterprise; and this advantage could not easily have been purchased too dearly.

It is worth noting that this purchase, though effected in a way calculated to create the impression that it was only the first step in a policy which aimed at the establishment of a British Protectorate over Egypt as its ultimate end, created but slight and transient irritation in France. Nor did this irritation assume any more formidable proportions when the purchase was followed up by the late Mr. Cave's mission to Egypt.

It soon became manifest that the £4,000,000 advanced to the Khedive were utterly inadequate to relieve him from his embarrassments; and almost before the advance had been received his Highness was once more in urgent need of money.

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Under these circumstances he addressed himself to the English Government, and, as a preliminary step to a further application for a loan, requested them to send out a special envoy to investigate the condition of his finances. It is difficult enough to speculate about anybody's motives; and this difficulty is exceptionally increased when we have to deal with a character so complicated as that of Ismail Pacha. But my strong belief is that the Viceroy was sincere in his overtures to our Government at the close of 1875. No doubt if he could have got England to advance the money he desired without demanding any consideration in return, he would have preferred to do so. Failing this, however, he was prepared to give consideration in the form of accepting our Protectorate. Nor would such an arrangement have been altogether unacceptable to him on other than financial grounds. France at this period, it should be remembered, had not recovered—at any rate in the opinion of the outside world—from the discredit of her defeat. Our expeditions to Abyssinia and Ashantee had raised our prestige in the East, and England was regarded in Cairo and elsewhere as the one power at once able and willing to take possession of the Delta.

From the Oriental point of view, power to take anything is synonymous with an intention of taking it, and therefore the Khedive was not indisposed to avert the danger of the possible annexation of his territories by England at the price of accepting a Protectorate which, as he believed, would relieve him at once from dependency on the Porte and from interference on the part of other European Powers, and would secure to him and his descendants a perpetuancy of sovereign power within his own dominions.

How far these overtures met with distinct approval on the part of our own Government I do not pretend to say. I have, however, strong reason to believe that the possibility of entering into some arrangement which would give us unquestioned supremacy in Egypt was contemplated at this time by Lord Beaconsfield, if not by his colleagues, and that Mr. Cave was deputed to ascertain whether the financial condition of Egypt would admit of such an arrangement being carried out. This at any rate was the belief entertained at Cairo, both by natives and foreigners, when Mr. Cave arrived in Egypt as the head of a British mission, and was welcomed as the honoured guest of the Khedive.

Nobody who had the pleasure of Mr. Cave's

acquaintance during this period could fail to be impressed by the singular industry, intelligence, and absolute loyalty with which he discharged a most difficult and thankless task. If he failed, his failure was due to causes over which he had little or no control. His instructions were of the vaguest kind. He was in the position of an agent, who is deputed to make certain enquiries, and who knows that his principals have it in their minds to base their future action upon the result of his enquiries, but who has no distinct knowledge as to what this action is to be, and no certainty whether any action will be taken at all. With the vacillation which characterized all the foreign policy of the late Government, Mr. Cave, after being sent out under circumstances which inevitably affixed a political significance to his mission, was then left to decide on his own responsibility what he was to do or leave undone. Under these circumstances he determined to confine himself to the duty of ascertaining, to the best of his power, what was the financial condition of Egypt; nor can he fairly be blamed for this determination. In the course of a few weeks the then Judge Advocate drew up a report which presented the world for the first time with an intelligible statement of the

resources and liabilities of Egypt. This report has since been subjected to very severe, and I think very unjust, criticism. Mr. Cave himself stated to the present writer at the time that he had neither the power nor the opportunity to investigate for himself the correctness of the figures submitted to him by the officials of the Government. All he could do, or that anybody could have done in his place, was to accept the figures supplied to him, to check them, in as far as he could do so cursorily, by his own observation, to deduce from them an approximate calculation of what were the revenues of the country, and what were the liabilities for which provision had to be made. Considering his lack of acquaintance with the language, his inexperience of the country, and the manner in which he was sedulously kept aloof from the few sources of information open to a person in his position, it is no small credit to his energy and acuteness that he should have drawn out a balance-sheet which, as the experience of later years has shown, did not fall far short of the truth after all. †

The upshot of this report was to show, that though the revenue of Egypt might possibly be sufficient to provide for its liabilities, yet that the embarrassments of the State were out of all pro-

portion to its available resources, and that solvency could only be restored by a complete reform of the administration. The amount of the indebtedness of Egypt, as shown by the report, the conclusions of which were naturally communicated to the Government at home long before they were made public, clearly established the fact that England could not interfere in the affairs of Egypt unless she was prepared to undertake very large and very indefinite pecuniary responsibilities. This discovery strengthened the hands of Lord Derby and of the other members of the Ministry who were opposed to any such interference on political grounds, and the idea of establishing our ascendancy in Egypt at the price of extricating the Khedive from his difficulties was allowed to drop. Mr. Cave returned home, and Mr. Rivers Wilson, the Controller of the National Debt Office, was sent out to give the Khedive the benefit of his financial experience as to the best method of reorganizing the administration of the Egyptian Exchequer.

No financial ability, however, could do anything to fill a well-nigh empty treasury, which was continually drained by the extravagance of the Government, and which was only kept from absolute bankruptcy by allowing debts to accumulate, and

by raising temporary loans at exorbitant rates of interest. The Ministry at home grew uneasy at the attacks made in Parliament upon their abortive Egyptian policy, and Mr. Wilson was recalled after he had been offered and declined the office of Minister of Finance under the Egyptian Government.

Various negotiations ensued with European capitalists for the object of raising a loan to pay off the floating debt ; but all these negotiations broke down from want of confidence in the guarantees offered. At last, in May 1876, the condition of the Egyptian Treasury became desperate, and the Khedive issued a decree by which he proposed to liquidate his difficulties by a process of repudiation similar to that which had been adopted by the Sultan. In this object, however, he was baffled by the International Courts.

Chiefly through Nubar's exertions, the governments of Europe had been induced to substitute for the Consular Courts (which, under the Capitulations, exercised jurisdiction over all cases in which the subjects of the respective governments were concerned) a system of International Courts, the judges in which, though holding office under the Egyptian Government, were virtually inde-

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pendent, and administered justice according to a code of their own, framed upon the Code Napoleon. The substitution was not, and is not, complete. The International Courts are only appointed for quinquennial periods. They have no jurisdiction in criminal matters, or in suits to which a foreigner is not a party. Nor would it be easy to define their exact legal status as a component part of the Egyptian commonwealth. But whatever their theoretical position may be, they possess a strong practical tenure of power. If the Egyptian Government should refuse to acknowledge the authority of these tribunals, or to execute their decisions, the Powers are entitled to resume their old rights under the Capitulations, and to restore their pristine jurisdiction to the Consular Courts. Now as the old-fashioned Consular jurisdiction had proved utterly intolerable in the new conditions upon which Egypt had entered, the Egyptian Government had, and has, the strongest reasons for not defying the authority of the International Tribunals.

Upon the decree of May being issued, certain foreign creditors of the State entered a suit against the Government for a breach of contract. The Courts decided in their favour. An objection to this judgment was set up on the ground that the

State could not be sued in its own Courts. This objection, however, was overruled. By the agreement under which the Courts exercised their authority, no modification could be made in the code for the five years during which the Powers had consented to try the experiment of substituting International for Consular jurisdiction ; and, in consequence, the decree of the Khedive, by which he had proposed to settle the financial difficulties of the State by his own authority, remained a dead letter.

The condition of Egyptian finance became more and more embarrassed, and Mr. Goschen and M. Joubert were deputed by the English and French bondholders to conclude an arrangement between the Khedive and his creditors. It is not necessary to enter at all fully into the history of their negotiations. The whole finances of Egypt had been conducted by the Viceroy in person, with the aid of Ismail Pacha Sadyk, more commonly known by his title of the Moffettish, or Head Steward. In the middle of the Goschen mission the Moffettish was charged—with or without reason—of being concerned in a plot against his master, and died suddenly, whether by violence or by natural causes never has been ascertained, and probably never will be ascertained. Notwith-

standing the sudden disappearance of the Finance Minister, it was on his statements of revenue and liabilities that Mr. Goschen and his colleague relied in framing the compromise which they recommended to the acceptance of the bondholders. The main upshot of this compromise was the creation of a preference stock, the proceeds of which were intended to pay off the floating debt. By this arrangement it was intended to relieve the Government from the embargo placed upon it by the decisions of the International Tribunals, which conferred upon the unsecured creditors the right of seizing the property of the State in liquidation of their debts. If the figures upon which Messrs. Goschen and Joubert framed their calculations had been correctly given, the compromise would have worked satisfactorily for all parties. As it was, after a brief respite, the embarrassments of Egypt proved to be more urgent and more formidable than ever. The revenue, it was asserted, had been enormously over-estimated ; the liabilities, it was stated with greater truth, had been enormously under-estimated. The treasury was empty, the credit of the country sunk to the lowest pitch, and bankruptcy was regarded as imminent.

In 1877 Nubar Pacha was living in Europe,

more or less in exile. His influence and ability were exerted to induce the governments of France and England to intervene in order to save Egypt from ruin, and from the direct intervention which financial bankruptcy must necessitate. It was owing in no small degree to his efforts that Lord Derby and the Duke de Cazes brought such pressure to bear upon the Khedive as induced him to consent to the establishment of an International Commission of Enquiry. The Commission in question met early in 1878, under the nominal presidency of M. de Lesseps, but in reality under that of Mr. Rivers Wilson ; and after a very patient and exhaustive enquiry, arrived at the conclusion—which had already been foretold in my article, "Egypt and the Khedive"—that the difficulties of Egypt were mainly due to the extent to which Ismail Pacha had possessed himself unjustly, if not fraudulently, of nearly one-fifth of the whole cultivable soil of Egypt.

Before, however, the Commission could report on the causes which had brought Egypt to the verge of ruin, their labours were suspended by a sort of *coup d'état* on the part of the Khedive. His Highness suddenly announced that he was prepared to surrender all the lands he had appropriated, in order

to provide for the liabilities of the State ; and, as a guarantee against the recurrence of similar abuses, he professed his intention to rule henceforward as a quasi-constitutional sovereign, acting under the advice of independent ministers. Nubar Pacha was recalled from exile to form the new administration, the leading members of which were to be foreigners. Mr. Rivers Wilson was nominated, with the consent of the British Government, in whose service he still remained as Comptroller-General of the National Debt, to be Minister of Finance ; and M. de Blignières, who was also an official in the French public service, was appointed Minister of Public Works.

The first act of the new Minister of Finance was to raise a loan with Messrs. Rothschild, secured upon the lands ceded by the Khedive to the State. The success of this operation, together with other causes, personal as well as public, which I have endeavoured to explain further on, made Mr. Wilson the virtual head of this composite Ministry. The experiment might, and I think would, have succeeded, had it not been for the intrigues of Ismail Pacha, and for the unfortunate attitude of hostility assumed by Mr. Vivian, our then Consul-General. Mr. Wilson arrived in Egypt to enter on

his work of re-organization at the close of November, 1878. Before the end of the following February, Nubar Pacha was forced to resign by a military *émeute*, encouraged, if not organized, by the Khedive himself. A new arrangement was concluded by which the then Crown Prince, Tewfik Pacha, became the head of the Ministry, while Mr. Rivers Wilson and M. de Blignières were given an absolute right of veto on all measures proposed by the Government. This arrangement, however, had hardly been concluded with the approval of the English and French Governments, before the Khedive began to intrigue again, and finally dismissed his foreign ministers of his own free will. There was talk of an Anglo-French occupation to compel the Khedive to adhere to his engagements. But the English Government shrank from direct intervention. Mr. Wilson was recalled, nothing was done, and the Khedive seemed to have succeeded in recovering his independence. Things were going from bad to worse, when Germany suddenly interfered for the first time in the affairs of Egypt, and declared her intention of upholding at all costs the authority of the International Tribunals, by securing the enforcement of certain judgments which those tribunals had given, and in which German subjects

were interested. The intervention of Germany convinced England at last of the absolute necessity of vindicating her authority in Egypt. At the joint request of the English and French Governments, the Sultan agreed, if necessary, to depose the Viceroy in favour of his son. After some hesitation, Ismail Pacha could not summon up resolution to defy openly the authority of the Porte, and, to avoid deposition, he abdicated in favour of Tewfik, the reigning Khedive.

Upon the accession of Tewfik Pacha, a new system of government was established in concert between Cairo, Paris, and London, by which it was hoped to continue the advantages of an autonomous administration and of foreign control. It was resolved not to insist upon the restoration of the Anglo-French ministers, but to allow Egypt to be governed by a native ministry, supervised by an English and French official, nominated by their respective Governments, and who were to bear the title of Controllers-General. M. de Blignières was nominated by the French Government. Our own Foreign Office determined not to reinstate Mr. Rivers Wilson, but to confer the post of English Controller on Major Evelyn Baring, who on his subsequent departure to India was succeeded by Mr. Auckland Colvin. Riaz

Pacha, who had been Minister of the Interior under the Nubar-Wilson *régime*, was appointed Prime Minister.

The new Administration was confronted at its outset with the same difficulty as that which had harassed all its predecessors, namely, the settlement of the floating debt. The funds were not forthcoming to pay this debt in its entirety; its amount was constantly accumulating by compound interest at the rate of 12%; and yet a composition was impossible, as any individual creditor might, by appealing to the Courts, upset every settlement to which he was not a consenting party. At last, however,—thanks mainly to the influence of the bondholders as represented by the house of Rothschild,—the European Governments represented in the International Courts were induced to consent to the appointment of an International Commission empowered to make a settlement of all the foreign claims on the Egyptian Government, which settlement it was agreed beforehand was to be accepted as binding by the International Courts.

The process was cumbrous, but it proved effective. Sir Rivers Wilson, who had recently received a tardy recognition for his great services to England and Egypt by being made a K.C.M.G., was ap-

pointed President of the Commission, and under his able and experienced management a composition was made between Egypt and its bondholders, which has had the singular merit of giving satisfaction alike to both debtors and creditors.

Since that time Egypt has entered on a period of unexampled prosperity. Too great credit can hardly be assigned to the reigning Khedive, to his Prime Minister, Riaz Pacha, and to the Anglo-French Controllers-General for the loyalty, good sense, and energy with which they have carried through a difficult enterprise, which must infallibly have made shipwreck if private and personal considerations had not been subordinated to a regard for the public welfare. The prosperity of Egypt, however, would rest on very insecure foundations if it depended solely on the continuance in power of a certain small number of individuals. The true cause of the permanent amelioration of Egyptian finances lies in the increased and increasing authority of the European element in the country—an authority whose full and free exercise has been rendered possible by the establishment of the International Tribunals, which owe their existence to the genius of Nubar Pacha. It has been shown by the test of practical experience

that under a native administration, controlled and kept in order by European supervision, Egypt can enjoy prosperity at home, maintain her credit abroad, and develop her great latent resources. Europe — happily for Egypt herself — has too strong an interest in the financial welfare of Egypt to allow the results already achieved to be jeopardized by personal caprice or political intrigue. The process by which Egypt has passed from under the arbitrary rule of a grinding despotism to the orderly and regular administration of an unavowed, but no less existent, Protectorate, will be elucidated in the following pages. I do not pretend that there will be found there anything like a consecutive history of the transformation of Egypt. But whenever the true history of this interesting period comes to be written, the historian will, I trust, derive assistance in his task from these articles, written at the time by one who was in constant and intimate relations with the chief actors in the varied vicissitudes of the Egyptian drama.

I would add here, however, that my chief, if not my sole, reason for desiring to give these Egyptian articles of mine a more lasting form and body than they would possess in the pages of a Magazine, has been my wish to re-assert my conviction of the

paramount importance to England of upholding her authority in the Delta. I do not flatter myself that this protest of mine can avail much ; but for what it is worth, I wish the protest to be made and remain on record. It was a conviction that the true interest of England in the Eastern question lies in the valley of the Nile, not in the Bosphorus, and that the Isthmus of Suez forms the key-stone of our position as an Imperial Power, which first turned my attention to Egyptian affairs. This conviction has been strengthened as my knowledge of Egypt has grown and matured. If I could be sure that this belief of mine was shared by British statesmen, and still more by the British public, I should look forward to the future with more confidence than I yet feel. Three years ago we had an opportunity of establishing ourselves permanently as the one paramount power in Egypt. That opportunity was allowed to pass by ; it is never likely to occur again. Still, rather by good luck than by our own efforts, we have now acquired a position in Egypt, in conjunction with France, which secures us a dominant, though not an unfettered, influence in Egypt. To maintain this position unimpaired should be one of the first objects of our foreign policy. In order, however, to uphold such a policy

as this, we must be prepared to accept views of Imperial statesmanship which are not in accordance with the doctrines of non-intervention Liberalism. It is as an exposition of the principles which, as I hold, should underlie our whole foreign policy in Egypt and elsewhere, that I have republished at the conclusion of this volume an article written by me in reply to certain strictures which Mr. Gladstone did me the honour to make on my plea for intervention.

A score of years ago I was introduced in New York to General Winfield Scott. The Ex-Commander-in-chief of the United States army was then very advanced in years, broken in health, and out of heart. The impression left on my mind was that of the words of my introducer the old General caught little save the fact that I came from England. He tried to rise, but ineffectually; speaking rather to himself than to me, he let fall the words, "You come from England, sir. Yours, sir, is indeed a country worth fighting for;" and then sank back into his chair, half exhausted by the effort. The words thus spoken have abided on my mind; and I know of no form of words better expressing the views of those who share with me the creed of England's Imperial mission than those I have quoted—"It is indeed a country worth fighting for."

OUR ROUTE TO INDIA.

(JUNE, 1877.)*

"NEVER to prophesy unless you know" is a wise rule for all writers on subjects connected with the vicissitudes of war. Still there is one forecast with reference to the war now commenced in grim earnest which I can venture to make confidently ; and that is, that the war, whenever and however it closes, will not leave things as they were previous to its inception. Putting aside the passing speculations of the hour, it seems to me as manifest as any unaccomplished fact can well be, that we are on the eve of a fundamental revolution in the affairs of Eastern Europe. We have come to the begin-

* This article was written when the Russians had crossed the Danube, and were occupying Bulgaria. Some of the forecasts expressed therein have been falsified by the event. But the general basis of my argument has been confirmed rather than enhanced by the actual outcome of the war.

ning of the end. It may be, though it scarcely seems to me within the region of probability, that Turkey may pull through the present crisis without absolute dismemberment of her Empire. But even on this hypothesis she can only owe her safety to the mutual jealousies of the Western Powers. It does not lie within the scope of this article to discuss the possible or probable arrangements which may be made at the conclusion of the war. As a matter of fact, however, it may be taken for granted that, whenever peace is made, Russia, whether in Europe or in Asia, will have taken a considerable step towards the overthrow of Ottoman rule, while Turkey will be left less able than she has proved hitherto to present any formidable resistance to the advance of Russia. Even the most sanguine of believers in the regeneration of Turkey would admit that the proximate occupation of Constantinople by Russia lies within the domain of possibility. You do not insure your house against fire because you think it likely to be burnt down, but because you think it possibly may be burnt down. It is sufficient, therefore, for us, as a nation, to know that the command of the Bosphorus passing into the hands of Russia is a possibility, to make it incumbent upon

us to consider in what mode we should insure ourselves against the dangers arising out of this possible contingency.

The first question, then, which suggests itself is what practical difference it would make to England if the Bosphorus passed, either nominally or virtually, from under the command of Turkey into that of Russia. I may say in passing that the conditions of the problem under consideration would be modified in degree rather than substance, if, as many persons imagine, the interests of Germany and Austria should compel them to forestall Russia in obtaining possession of Constantinople. If once a vigorous independent government, which the force of events might lead to co-operate with Russia, should be established on the Bosphorus, we should lose the protection afforded to our Indian possessions by the fact of the lands lying east and west of the channel dividing Europe and Asia being under the dominion of a friendly, inert, and unprogressive power. Of course, if it is contended that our Indian Empire is not worth preserving, *cadit quæstio*. It would be entirely foreign to my purpose to argue this point. I must ask my readers to take for granted, as the basis of my argument, that the preservation of our dominion in the East

is a matter of paramount importance to us, only less important, indeed, than the preservation of our national independence. I may be wrong in this assumption; but it is one which, whether right or wrong, is shared by the vast majority of Englishmen. I say, then, unhesitatingly, that the chief, though not the sole, concern we have in the settlement of the Eastern Question lies in the effect that settlement must produce on the security of our Indian possessions. A mere glance at the map serves to show how the Ottoman Empire, together with the adjacent Mussulman kingdoms, lies like a huge breakwater between Russia and India. We are often told that the only solution of the Eastern Question is to drive the Turks back into Asia. It may be so. But the notion which the authors of this theory seem to hold, that the Sultan could transfer the seat of empire to Damascus, or Bagdad, or Smyrna, or Heaven knows where, is an utter delusion. Constantinople is the keystone of the arch which supports the crumbling edifice of the Ottoman Empire. Take that away, and the whole structure falls to pieces. To build up a new empire east of the Bosphorus is a task beyond the capabilities of the Turks. Whatever power holds Stamboul is, in virtue of all precedent, mistress of

Asia Minor. No doubt Islam would be a force to be taken into account even if there were no Caliph in existence ; and there would still be Mohammedan States notwithstanding the fall of Turkey. But our own experience in India has shown us that isolated and disjointed Mohammedan communities cannot hold their own against a dominant European Power. Thus, if the Cross should ever replace the Crescent on St. Sophia, Russia, instead of being opposed in her advance towards India by the formidable strength of a great and united if decaying empire, would only be confronted by a number of isolated and disjointed States resembling those of Central Asia, which, from their want of cohesion as well as from their internal jealousies and divisions, must inevitably fall an easy prey to any civilised military Power. Of course I may be told, that Russia has no idea of ever occupying Constantinople, and would be guilty of absolute insanity if she were to entertain any such idea. For my purpose, however, it is sufficient to show that a Russian advance on the Bosphorus is within the domain of possibility, and that the almost certain result of the present war will be to remove some at least of the more serious obstacles which have hitherto barred the advance of Russia Stamboul-

wards, whether on land or sea. Thus, whether we like it or not, we are bound in common prudence to face the contingency that at no distant period Russia may command the head of the Euphrates valley by land, and the Bosphorus by sea. If once Constantinople passes directly or indirectly into the hands of an active maritime State, the chain of inland seas leading from the Mediterranean to the Sea of Azof must become home waters, so to speak, of the Power holding the Bosphorus. Characterising Ottoman rule, it is only the utter apathy and want of enterprise, especially on sea, which has hindered Turkey from becoming the chief maritime Power of the Levant. Given the possession of the Bosphorus, and Russia would soon have an ironclad fleet in the Sea of Marmora, which could sail out at any moment and reach Port Said long before reinforcements could arrive from Malta.* It is said that in the case of Russia obtaining command of the passage of the Bosphorus, we could neutralise the danger by keeping a fleet stationed at Besika Bay, or by seizing the mouth of the Dardanelles and holding it as we do Gibraltar. But the former safeguard could only be temporary in its nature ;

* The possession of Cyprus to some extent modifies this danger.

the latter, even if feasible—which I doubt—would involve a heavy constant outlay and a state of permanent antagonism not only to Russia, but to all Powers interested in the freedom of access between the Euxine and the Mediterranean.

Thus, if I have made my meaning clear, the state of things with which we have to deal is this. A war has begun which, as I deem, may probably, and, as all must admit, may possibly, end in the overthrow of the Ottoman Empire. This overthrow would weaken if not imperil our hold on India. How then are we to protect ourselves against the peril involved in the possible success of Russia? That is the question. Now, in the first place, I must state my conviction that no precaution within our power to take can place us in as strong a position as that we now occupy. Nothing could be as good for us as that the Bosphorus and the provinces west and east of it should remain under the rule of an unaggressive Power, well-disposed towards us by virtue of the instinct of self-preservation. But even waiving the question whether we should be justified in upholding a vicious system of government in European Turkey in order to promote our own advantage, it is obvious that we are utterly unable to uphold Turkish rule unless

we are prepared to fight for Turkey whenever she is assailed, which, wisely or unwisely, we are not. Now the very fact that, according to my view, we should be manifestly weaker—in the sense of being more liable to attack in our Eastern possessions than we are at present—in the event of Ottoman rule in Europe receiving a death-blow, renders it all the more essential that we should guard against the impending danger by such means as lie within our power. In plainer words, the mere possibility that Russia may obtain the command of the Bosphorus renders it a matter of urgent necessity to us to secure the command of the Isthmus route to India. In order to effect this, we must have the power of keeping the Suez Canal open to our ships at all times and under all circumstances ; and, to secure this, we must acquire a recognised footing in the Delta of Egypt of a far more decided character than any we can claim at present.

No doubt, by the original firman issued by the Porte for the construction of the canal, its waters are declared to be neutral, and we often hear suggestions that this declaration of neutrality—which at present is a simple agreement between the Porte and the company—should be confirmed by an international guarantee of all the European Powers.

But recent experience must have led the most simple-hearted believer in the authority of international declarations to doubt their practical efficacy. If the treaty of Paris guaranteeing the independence of Turkey, entered into within the lifetime of the present generation, and solemnly re-affirmed only six years ago, is now treated as so much waste paper by all the Powers concerned, what possible security can we have that twenty years, ten years, or twelve months hence, the European Powers could be relied upon to make war upon any State which infringed the neutrality of the canal, even if it were guaranteed by the most solemn and formal of international compacts? Moreover, the neutralisation of the canal, even if it could be secured, would be fatal to our interests as a belligerent.

Supposing the canal to be really neutralised, it is obvious that if two European Powers were at war they could not be allowed to traverse its waters with ships of war or transports, or even with merchant vessels carrying supplies to the rival armies. In the event of a war between England and Russia in the East, such a prohibition would be no practical disadvantage to the latter Power ; for so long as we hold Aden and Perim we can close the mouth of the Red Sea against all comers. But


to us any obstacle in the way of our sending troops and ships to and fro between the Mediterranean and the Red Sea at our pleasure would prove the most serious of disadvantages in the case of war, even if our Indian Empire were not the direct object of attack. If the Euphrates Valley route lay open to the Russian armies, while we could only convey troops to and from India by the long sea route round the Cape, the difficulty of defending ourselves against attack, both in Europe and Asia, would be more than doubled. Again, in the contingency to which I allude, it would be a matter of vital necessity to us, not only to have free right of passage for our own ships of war, but to have the power of excluding all others, during war time, from its waters. A hostile ironclad which once made its way as far as Ismailia or into the Bitter Lakes would prevent the passage of our ships by the mere fact of its presence. Then, too, it should be borne in mind that the canal, owing to the peculiarity of its structure, could very easily be rendered useless. Given four-and-twenty hours' time, and a company of sappers and miners in undisturbed possession of any portion of its sandbanks; and an amount of damage might be inflicted which would not only render the canal impassable for the moment, but

which could not be repaired for weeks or months. In order, therefore, to secure our freedom of uninterrupted access to India across the Isthmus, it is essential that we should not only have an unrestricted right of employing its waters for war purposes, but that its course from sea to sea, as well as its ports of ingress and egress, should be under our protection. No strategical knowledge is required to appreciate the importance of the control of the canal to England. With the exception of that small school of politicians who hold that the British Empire should be restricted within the four seas, everybody would, I think, admit that the command of the canal—or, in other words, the occupation of the Delta—would be a gain to England, supposing it to lie within our power to obtain such a control, and supposing also that we could obtain it without any violation of duty, or without assuming responsibilities too heavy for our due performance.

I take the question as to our power to obtain control of the canal first, not because I deem it the more important, but because, if it cannot be answered in the affirmative, the further question whether we should act rightly in making the attempt ceases to be of any practical importance. Now, as a matter of fact, we could at the present

moment, and in all likelihood for some months to come, obtain possession of the canal without difficulty and without opposition. I am not recommending a *coup de main*. All I need remark on this subject is that if a couple of ironclads were stationed at Port Said, and a single British regiment was landed at Alexandria, we should at once have assumed a position from which no power could dislodge us except by war. Indeed, the same object could practically be effected if we hoisted the union-jack at the entrance to the canal under the care of a corporal's guard, and announced that henceforward the canal and the Delta would be placed under our protectorate. We have in fact only to hold out our hand in order to carry our point. Of course this is no justification for high-handed insolence, just as the fact of Alderney being without a garrison would be no excuse for a French fleet sailing from Cherbourg to annex the Channel Islands. But, in considering whether it is desirable to effect an occupation of Egypt, the fact that the enterprise presents no military difficulty of any kind is one that ought not to be overlooked. The next point worth considering is how far such a step would bring us into collision with the other Powers of Europe. Till within the last few years England

could only have planted herself in Egypt at the cost of a war with France. Under the reign of Louis-Philippe, and even under the Second Empire, France would have resisted any extension of British power in the Levant by all means at her disposal. That Syria and Egypt were in some especial sense under the protection of France was throughout the first seventy years of this century a tradition of French policy; and France would undoubtedly have viewed any scheme for the occupation of the Delta by England very much as our statesmen would still view any proposal for the seizure of the Schelt by Germany. But questions of remote foreign policy never take much hold of the popular imagination in any country, and least of all in France. It is at once the strength and weakness of the French mind that its interests are pretty well circumscribed within the area of France. Now for the present the thoughts of Frenchmen of all classes who have time to think of anything beyond the cares or pleasures of their daily life are absorbed in the dread of Germany, and in the desire to promote any influences which may hereafter facilitate the recovery of Alsace and Lorraine. To secure an interval of peace during which the French army may be placed on a footing to defend France



against a second German invasion is the one paramount idea of every French politician. On the Continent it is believed, with or without reason, that, if Constantinople should be threatened, England must fight for Turkey, and that if England intervened the war must become general. Any arrangement, therefore, by which England could be induced to regard the aggrandisement of Russia with comparative indifference would be welcome to France, even if it involved some sacrifice of French influence abroad. To put it shortly, if France were offered the alternative of a general war or of the annexation of Egypt by England, she would choose the latter without a moment's hesitation. Whenever France recovers her strength, and shakes off the incubus of her dread of Germany, she will recommence her traditional rivalry with England in the Levant. But at this moment we could do what we could not have done for the last seventy-five years, and what very possibly we could not do a couple of years hence—that is, take possession of Egypt without the risk of a war with France.

Russia, from the days of the Czar Nicholas and Sir Hamilton Seymour, has advocated the policy of a partition of the Turkish Empire in which Egypt should fall to the share of England ; and

I have reason to believe suggestions of such a scheme were made to us within the last few weeks. While there was a possibility of the war being averted, our Government were, I think, right in turning a deaf ear to any proposal whose acceptance might have seemed to sanction the dismemberment of Turkey. But now that the attack has been made, and that the Russian armies are marching towards the Bosphorus, the position is changed. At any rate, if, in view of the advance of Russia towards Constantinople, we should see cause to secure our route to India by the occupation of Egypt, Russia would certainly acquiesce in our action ; though if she had once secured her own position on the Golden Horn, she would assuredly oppose any British occupation of the Delta with all her strength. Germany, from whatever motive, has more than once of late intimated to our Government that she would view with satisfaction the establishment of English supremacy on the Isthmus ; and Austria would certainly not oppose any measure which tended to strengthen the power of England in the Levant. Italy, Spain, Portugal, and Holland could hardly be expected to entertain a favourable feeling towards a project by which the command of the Suez Canal would pass into the

hands of Great Britain. Still, at the worst, they would be obliged to accept accomplished facts. Moreover, our Free Trade policy has removed much of the jealousy with which any extension of our rule used to be regarded by our commercial rivals. The mercantile communities throughout Europe would feel a well-merited confidence that under the union-jack the canal would be as free as the Straits of Dover to the trading vessels of all nations. Thus I may assume, as the second step in my argument, that the action I suggest could be taken by England not only without any immediate military difficulty, but without any risk of involving ourselves in hostilities with any European Power.

It being shown, then, that there are no material obstacles to our taking possession of the canal, it remains next to be seen what, if any, are the moral objections to its execution. No great public improvement can be carried out without interfering with private rights, and therefore it does not seem to me a fatal obstacle to the plan I advocate that we should have to interfere with certain vested interests. If possible, we should endeavour to obtain the consent of the parties interested ; if not we should be obliged to dispense with their sanc-

tion. For reasons I shall enter into more fully later on, the protectorate of the Suez Canal involves of necessity the virtual occupation of Lower Egypt. But, as a question of abstract right and expediency, the two measures stand on a completely different footing ; and all I have to consider now is, who are the parties whose interests we shall be honourably bound to consult, and whose opposition we ought fairly to take into account, if we made up our minds to take possession of the canal. Now the title to the canal may be said to rest with three different parties—first, the French company by whom it was constructed ; secondly, the Government of Egypt, as represented by the Khedive, to whom the ownership of the canal reverts after the expiration of the concession ; and, thirdly, the Sultan, to whose dominions as Suzerain the canal, in common with every other portion of Egypt, may be said to legally belong. To take the last first, we may fairly say that Turkey's interest in the canal is of an entirely technical character. The Porte would find it difficult to sell its potential title to the canal for a single sixpence. Owing to the utter absence of any maritime enterprise in Turkey, the canal is of less practical value to the Ottoman Empire than to the smallest of European States possessing a seaboard

of its own; and, apart from the consideration of its general relations to Europe, the Porte would gladly surrender its reversionary rights to England for an almost nominal return. My whole argument is based on the assumption that the Ottoman Empire is no longer able to hold its place in the world. Granted this assumption, and we cannot afford to shape our action in deference to the wishes of a moribund Power. But, as a matter of fact, even if Turkey survives the war as an European State, I believe it would gladly see England installed in a position on the Isthmus which might serve as a counterpoise to the increase of power and territory certain to be acquired by Russia at the close of a successful campaign. With regard to the Khedive, his pecuniary interest in the canal, now that he has sold his founder's shares, would fetch very little in the market. The objections he might raise to our compulsory purchase of the canal, and the price at which he might be disposed to withdraw his opposition, may be better considered when I come to the question of an occupation of Egypt. I may say here in passing that he would, I believe, raise no difficulty about parting with his rights in the canal for a very moderate amount, if this end could be effected without detriment to his position as ruler

of Egypt. In as far, then, as the canal itself is concerned, I may say that the only title we should have seriously to consider would be that of the company. The moral strength of this title I for one am not disposed to underrate. The accomplishment of this great enterprise—for which England above all other nations has cause to be grateful, and but for whose effectuation English interests in India would be placed, at this crisis, in the gravest peril—is due in the first instance to the genius and energy of M. de Lesseps, and in the second to the confidence with which the French investors supported with their subscriptions an enterprise declared from its outset up to its completion to be insane and impracticable.

Still, if we were prepared to pay liberally, I think we might acquire possession of the canal with the consent, if not the approval, of all parties directly or indirectly interested in the concern. As a mere speculation it would be well worth our while to repay the whole amount of the money laid out on the canal, which may roughly be put down at twenty millions, if we could obtain absolute and uncontrolled possession of it as the highway between England and India. Practically we might buy up all the various rights of proprietorship

in the canal for three quarters of that sum, and yet content everybody.* But the real objection to the purchase of the canal is that it is comparatively valueless to us unless we have command of the adjacent country, or, in other words, unless we occupy Lower Egypt. As I have endeavoured to show, we require, in order to protect ourselves from the results of a possible occupation of Constantinople by Russia, to secure an unrestricted right of passage for ships of war and troops to and from India by the Isthmus route. Even if we were the lawful owners of the canal, its possession would be of no value to us in a military point of view unless we were also in possession of the surrounding country. In times of peace a mere handful of troops would be sufficient to protect our property ; but in the event of a war, or even the prospect of a war, we must be at liberty to occupy the Delta, and to erect fortifications not only at Port Said, but at every point along the coast where a landing could be effected. Military authorities agree that Egypt (by which I may say here once for all I mean the Delta) could be defended with very little difficulty by any power who had the command of the two

* This was written before the rise in the Suez Canal shares, which were quoted between 600 and 700 in 1877, and now stand at close upon 1900 fr.

seas between which it lies. But, as I have already pointed out, the fact that the canal could be rendered useless by a very small force, coupled with the further fact that any stoppage in the water passage across the Isthmus might be disastrous for us in the event of a war for the possession of India, makes it absolutely incumbent upon us, if we want to hold the canal, to secure ourselves against any attack being made upon it throughout the whole of its course across the Isthmus. In other words, we must have the power to occupy the Isthmus when we choose and where we choose. Of course it may be urged that in the case of war we should infallibly occupy Egypt whether we had any legal right to do so or not. The truth of this statement is obvious. But with a Russian ironclad fleet stationed in the harbours of the Black Sea, and able to sail out into the Mediterranean through the Straits whenever it thought fit, we should be liable to have Egypt occupied by a hostile army before our troops could reach it. What we require, therefore, is the permanent occupation of a number of points on the Isthmus under similar conditions to those under which we hold Gibraltar and Malta. It is difficult for anyone who has not been there quite to realize how very small a place Egypt, that is, the Delta, is ; but the

smallness of its area makes it absolutely impossible for two rival governments to hold sway within its limits, and any Power which has military possession of the canal must virtually rule the country.


Now, in order to obtain possession of Egypt, all we have to do is to deal with Ismail Pacha. For all practical purposes the Khedive and Egypt are identical. The question how the Egyptian people would be affected by the annexation of the Isthmus to England is one which deserves the fullest consideration ; but in any arrangement concluded between the Khedive and England, or, for that matter, with any other Power, the Egyptians themselves can have neither voice nor part. It would be almost as absurd, if you were purchasing a flock of sheep, to ask the grazier for an endorsement of the contract on the part of the flock as it would be to insist that the Egyptians should be a party to any transfer of their soil from one owner to another. To all intents and purposes Egypt is a conquered country, ruled from Turkey by a small number of Turkish pachas.

In as far as I could ever ascertain, the substantial hold which the Khedive has upon his dominions is of the weakest kind. Even if he were the best beloved of Eastern rulers, he could

not rely on the attachment of his subjects, from the simple fact that they have no power to make their attachment felt. Why the reigning dynasty in Egypt has remained so long in possession of the throne is a question not easy to answer. Mehemet Ali was one of those born rulers of men who achieve power and hold it by their own force of will. His successors have retained the Pachalik of Egypt partly because, though not of the same calibre with the founder of their dynasty, they have been one and all men of greater energy and intelligence than the average pachas of Turkey ; partly because they profited by the traditional rivalry between England and France in the Levant, which had caused the latter Power to take Mehemet Ali and his dynasty under its special protection ; partly, and perhaps more than all, because of the intense apathetic conservatism of the East, which holds the fact of a thing's existing reason sufficient why it should go on to exist. Still, the position of the Khedives, to use their present and better known name, has been from the first a very insecure one. At any time since Mehemet Ali's death the Porte, if it had so thought fit, could probably have deposed the reigning Viceroy and given the Pachalik to another member of his family or to a stranger.

The Porte, however, though it had no love for the Egyptian dynasty, was afraid of attempting any violent change, as for the last thirty years—ever since, in fact, the Overland Route was first established—England would not have tolerated any direct re-establishment of Turkish authority in the Isthmus; while up to 1870 the Khedive could always have appealed to France to protect him against any overt aggression on the part of the Sultan. Moreover, the Porte had till the other day the strongest motives for avoiding an interference in the affairs of Egypt, which must necessarily have led to a reopening of the whole Eastern Question. And—what is perhaps more important than all the other considerations on which I have dwelt—the acquiescence of the Porte in the Khedivate has been secured by a system of wholesale and constant bribery. If ever a true balance-sheet of Egyptian finance could be published, the world would be astonished to discover what a large proportion of the Egyptian debt has been incurred in presents to the statesmen of Stamboul, the courtiers in good odour at the palace, and the reigning favourites of the Seraglio. Possibly a more determined man than Ismail Pacha might have run the risk of refusing to submit to the wholesale system

of black mail to which he has been subjected by the Turkish Government ; but, rightly or wrongly, the Khedive has never felt secure enough of his own throne to hazard the consequences of a rupture with Turkey, and, not being prepared for this, he has had no option except to counteract the intrigues of the Seraglio by lavish and persistent bribery. Any one at all acquainted with the history of Levantine politics is aware that the Khedive, though constantly deploring the evils of his connection with Turkey, has always shrunk from any decisive attempt to sever this connection. The truth is, that though the authority of the Caliphate is probably weaker in Egypt than in any other Mussulman State, it is still a force to be taken into account, and even a very feeble force will carry all before it if it encounters no opposition. After all, the title under which the Viceroy of Egypt exercises his authority is that of nominee of the Commander of the Faithful, and this title he must of necessity forfeit if he throws off his allegiance. The notion of there being a distinct Egyptian nationality which could be relied on to support the reigning dynasty as against Turkey is an utter delusion, which Ismail Pacha is far too shrewd a man to share. The army, indeed, is amply sufficient to suppress any popular non-



military rising against the Khedive's rule, even supposing such a thing were within the domain of possibility. But what the Khedive has to fear is not a popular but a palace revolution, and against this his army is utterly useless.

In no country is the maxim *Le Roi est mort, vive le Roi* more faithfully obeyed than in Egypt, and if any morning Cairo were to learn that Ismail Pacha's reign was over, and that Tewfik or Halim or Hassan, or any other Pacha, ruled in his stead, the army would obey the new sovereign with the same passive obedience as it displayed towards the old. So long as no Viceroy can govern without the consent of the Sultan, the Khedive has some security against sudden deposition by a rival. But independence once granted, he is liable to be upset at any moment by any ambitious pacha who can secure the services of a handful of troops, or purchase the complicity of the harem, and who is not afraid to risk his life for the chance of a throne. In spite of all its varnish of European civilization, Egypt is still an Eastern State, with all the ideas, traditions, and habits of the East; and the scene enacted at Stamboul when Abdul Aziz was deposed, might be re-enacted at Cairo, with far less danger or disturbance.

Nobody is better aware of all this than the Khedive himself, and I believe a sense of the insecurity of his own tenure of the throne has played a very important part in determining his foreign as well as his financial policy. Recent events have certainly not tended to lessen this sense of insecurity. The disasters of France, and her consequent withdrawal from any active participation in Levantine affairs, have deprived the dynasty of Mehemet Ali of a most powerful though onerous protectorship. The financial embarrassments of Egypt have alienated the not unimportant support which the Khedive received during his solvent days from the moneyed interests of Europe ; and the example of Tunis, where the administration of the finances has been taken possession of by an International Commission, and the Bey reduced to a position of complete insignificance, is of evil omen for Egypt. Throughout the discussions which took place at the palace of Abdin during Mr. Cave's mission, the Khedive used constantly to remark, "*On veut me mettre en syndicat, et moi je ne le veux pas ;*" and this remark showed clearly enough his appreciation of the danger with which he is threatened, not so much by the amount of his indebtedness as by the international character of his liabilities. Moreover, the

Khedive cannot but be aware of the growing dissatisfaction felt against his rule by the population of Egypt. The burden of an excessive, and still more of a capricious, taxation has become well-nigh unbearable even by the long-suffering Fellaheen. In itself this discontent is of little importance. The inhabitants of Egypt have been set to make bricks without straw from the days of the Pharaohs, and even if their discontent should ever take an active form, the Turkish colony in Egypt, which has the command of the army, is strong enough to suppress any native revolt. But there is in Alexandria, and to a smaller extent in Cairo, a large and turbulent European element, and if this foreign element were to take advantage of popular resentment against unwonted oppression to organize an insurrection against the dynasty, the danger would assume a very different character. It is a fact worth noting that, when the Viceroy ordered the suspension of payment on the debt, there were demonstrations at Alexandria at which shouts were raised of "Down with the Khedive!" Of course the demonstration was made by foreigners not by natives; but this circumstance does not diminish its intrinsic gravity.

Now, by the firman which Ismail Pacha purchased from the Porte, the rule of succession has

been altered in favour of his eldest son, in lieu of his uncle. The reform is a very good one in the ultimate interests of Egypt, but it has alienated the Khedive's family, and has given a shock to the conservative prejudices of a Mussulman population. By the usage of Islam, Halim Pacha, the youngest son of Mehemet Ali, is the natural and legal successor to the throne in the event of the Khedive's death or deposition. Not much is known about Halim, but he is believed at Cairo to be ambitious and unscrupulous, and is understood to resent bitterly his exclusion from the succession in favour of his nephew. He lives, too, at Stamboul, and is a favourite with the Divan, and was one of the last ministers of Abdul Aziz. In the event of any attempt to overthrow the authority of the Khedive, Halim Pacha would probably be the prince in whose behalf the rising would be made. The Khedive is keenly alive to this danger, and his perception of his own insecurity is likely to make him look more favourably than might be the case otherwise on the prospect of Egypt being placed under British protection. No doubt His Highness would prefer an arrangement under which we guaranteed his dynasty from attack both at home and abroad, and yet left him in undisturbed possession of his

sovereignty. But he is too shrewd a man not to see that such an arrangement is out of the question. Surrounded as he is with dangers arising out of the impending collapse of Turkey, the ambition of foreign powers, the gravity of his financial embarrassments, the claims of his foreign creditors, the disaffection of his subjects, and last, though not least, the intrigues of his own kinsfolk, he would probably be not unwilling to allow Lower Egypt to pass virtually under the dominion of Great Britain in return for the security which he would have as a protected prince, enjoying all the honour and emoluments of sovereignty, and still exercising a qualified amount of sovereign power in the Delta together with supreme authority in Upper Egypt. The Khedive has many high qualities. Judging him, as it is only fair to do, by an Oriental, not an European standard, you cannot avoid admiring his indefatigable energy, his desire to develop the resources of his country, his ambition to stand well in the opinion of the world, and to associate his name with great undertakings and grand achievements. His ambition may be perverted, his policy may be erroneous, his mode of carrying out his objects may be utterly unjustifiable ; still, with all that, it must fairly be said of Ismail

Pacha that he has higher ends and aims in life than sensual self-indulgence ; and to say this is to say a good deal for a prince born and bred in the harem. But, unless my estimate is entirely erroneous, His Highness is not the man to fight a battle when the odds are heavily against him. In other words, if our Government should show that they are resolved on obtaining a dominant position in Egypt, the Khedive's instinct would be to make the best bargain he could for himself and his dynasty, not to offer a well-nigh forlorn resistance. It lies in his power to transfer supreme authority to us over the Isthmus by the mere exercise of his will, and therefore, as a matter of policy as well as equity, we should be liberal, if not lavish, in the terms we might offer to secure his co-operation. But at the best it does not lie within his power to hinder us from occupying the Isthmus at our own free will and pleasure ; and if, on other grounds, we should deem it right to act, we should not be deterred from action by the impossibility of obtaining the Khedive's consent.


Nor, I think, need we fear any opposition from the creditors of Egypt. I have not the space, nor is it needful for my purpose, to enter on a disquisition as to Egyptian finance. But I may say in passing that no one of the various schemes hitherto proposed,

neither that of Mr. Cave nor Sir George Elliot nor Mr. Rivers Wilson, neither the State Bank project nor the arrangement devised by Mr. Goschen and M. Joubert, provides anything approaching to security for the liquidation of the debt. "Qui a bu boira" is true in public as well as in private life, and from the necessities of his position the Khedive cannot control his expenditure even if he were disposed to do so. So long as his sovereign authority is uncontrolled, he has the power of borrowing money, all pledges and agreements to the contrary notwithstanding ; so long as he can borrow there will be plenty of people ready to lend him money—for a price ; and so long as money is offered to him he will take it. From this vicious circle there is no escape, and the chief practical effect, to my mind, of any settlement which, like Mr. Goschen's, affects to put the Khedive's affairs in order, is to restore his credit for the time, and to renew, in consequence, his power of contracting fresh and more onerous liabilities. But in the event of our occupying the Delta, the main source of all the revenues of Egypt, the Khedive would lose the security on the strength of which alone his loans have been contracted. In all likelihood it would be to our advantage to guarantee the payment of the Egyptian debt.

But even if we did not, the indirect guarantee afforded by our presence that the revenues hypothecated to the service of the debt would be applied to their avowed object, would revive the value of Egyptian securities to an extent which would more than satisfy the *bonâ fide* bondholders.

This leads me to the question how occupation of the Delta by England would affect the population of the soil. Occupation does not necessarily involve annexation—a point on which I may have something to say further on—but we have no business to occupy Egypt unless we are prepared also to face the contingency of our being ultimately compelled to annex it to our dominions. Now I have a strong personal opinion that, as a rule, Oriental nations are happier under native rule, arbitrary and capricious as it may be, than under the strict and methodical sway of Europeans. Between East and West there is a moral gulf not easily to be bridged over. Their ways are not as our ways, their thoughts are not as our thoughts; and if the Egyptians had nothing more to complain of than the common lot of nations ruled by Islam, I should hesitate, even though I might still deem annexation necessary in our own interest, in advocating it on the plea that

it would contribute to the happiness of the population. But the position of Egypt is an exceptional one, morally as it is physically. From time immemorial the Egyptians have been bondsmen, hewers of wood and drawers of water. Their history, if written by themselves, would be that of a succession of task-masters. No knowledge of ethnology is required to see that the Fellaheen belong to a completely different race from the Turkish landowners, and yet they have neither faith, nor language, nor individuality of their own. They are a hard-working, long-suffering, simple-minded people, crushed in spirit by long ages of servitude, regarding it as the natural order of the universe that they should not reap the fruit of their own labour, and accepting hard usage and ill-treatment as all in the day's work. Bondage is the normal condition of the Egyptians, and, by the peculiar configuration of the country, they are bondsmen with no possibility of escaping from their bonds. Egypt is a narrow tract of country occupied by a dense population, and surrounded on every side by the sea or by the desert. Thus there is no escape for the Fellah from his task-masters. It was only by a series of miracles that the Exodus could be effected, and the days of miracles are past. The climate of Egypt



is so beautiful, the soil so fertile, the ways of life so simple, that even grinding oppression does not suffice to stop the increase of the population. It is difficult to conceive of anything more wretched than the mud huts in which the tillers of the soil live huddled together, more like rabbits burrowing in a warren than human beings. Half clad, underfed, and overworked, afflicted with every malady due to want of proper food and common cleanliness, they toil on, winter and summer alike, without complaint, or even, I should say, without any deep sense of wrong. To be subject to every kind of exaction, to be forced to leave their own fields to work for others, to have their water supply cut off to suit the wants of the pacha, to labour on the canals and roads under the lash, to be defrauded of their wages, to be taxed, bullied, and cheated by every official, seems to them natural if not right. I remember once seeing a public road not half-an-hour out of Cairo being repaired by forced labour. The labourers were men, women, and children. To each batch of ten labourers there was attached a ganger with a stick, who kept striking the labourers when they loitered in their work. The foreman, whip in hand, went about cutting at the gangers, and the engineer had a kurbash

wherewith to chastise the foreman. The scene was typical of the whole social fabric of Egypt, and what was more typical still was that everybody concerned took it as a matter of course. It is necessary to bear in mind the normal condition of the Fellaheen in order to realize the significance of the fact that of late their lot has been felt to be unbearable even by themselves. I do not accuse the Khedive of wanton oppression. On the contrary, I believe him to be a man of good-natured disposition, who would sooner see other people happy, if it did not interfere with his own comfort or convenience, and who has a certain dim consciousness of the truth, ignored by most Eastern rulers, that the prosperity of his people is an element of his own greatness.

But necessity knows no law ; and of late years the Khedive has been so pressed by the exigencies of his financial position and by the never-ending demands arising from his schemes of conquest and aggrandisement, that he has stuck at nothing to supply his need of men and money. The Delta was the milch cow, and has been squeezed accordingly. The fields have been deprived of their labourers to fill the ranks of the army, and the peasantry have had money wrung from them by

every kind of coercion and fraud and cruelty. The hold that the late Minister of Finance had upon his master was that he knew the secret of screwing the utmost farthing out of the cultivators of the soil, and that he hesitated at nothing to supply the constantly recurring wants of the Treasury. The Moffettish has been sacrificed to European opinion, as represented by Mr. Goschen, but the system of extortion goes on the same. The country is being ruined by oppression and arbitrary taxation. To improve your land or to make money is to expose yourself to immediate extortion on the part of the tax-collectors. What little money is made is hoarded out of sight by its owners ; the mere fact that a man has paid his taxes one day is made a reason for squeezing more out of him the next. The Khedive levies black mail on the pachas, the pachas on the head men of the villages, the head men on the Fellahs, and so on through an endless system of extortion. Under such a system corruption prevails everywhere. The officials take bribes, the Government is defrauded, and the condition of the Egyptian people is worse than it has been within living memory. In the old days the difficulties of communication hindered any elaborate system of extortion from being universally applied ; but now,

with railroads, telegraphs, and all the outward appliances of modern civilization, the whole of Egypt is brought, so to speak, under the operation of a thumb-screw which is applied with unsparing and relentless severity.

Nor is there any remedy for this state of things so long as no power stands between the Khedive and his subjects. By Mr. Goschen's scheme the taxation of Egypt must be kept up at the highest point possible in order to meet the interest on the debt. By this scheme, too, the margin of funds at the disposal of the Khedive after providing for necessary outlays is quite inadequate to his requirements. The result will inevitably be that the Fellahs, besides being taxed to the utmost for the regular taxes, will have fresh imposts placed upon them irregularly in order to provide funds for the privy purse of the Viceroy. To anyone acquainted with Egypt nothing is more significant than the fact that the one point on which the Khedive refused to listen to any representations in his discussions with Mr. Goschen was, if I am rightly informed, as to the nomination of the tax-collectors. Whatever other arrangements might be made, His Highness laid it down as a *sine quâ non* that the revenue should be actually collected by

officials appointed by him and holding their posts at his pleasure. Under these circumstances it is not wonderful that the tillers of the soil in Egypt should find their burdens harder than they can bear, and should be ready to welcome any change. I am told by recent travellers in Egypt that whenever they got into conversation with the villagers along the Nile, the invariable question asked was when the English were coming to take the country. To suppose that the Fellahs have any intelligent or independent preference for English rule would be to credit them with a far higher degree of education than they possess. But, in the strange way in which reports spread in the East, stories have of late been current amidst the Fellahs of a change to be brought about in their condition by the English, and they feel that any change must be one for the better. What the Egyptians, as I believe, would like would be the rule of a Pharaoh placed under such control as to protect them from gross oppression and excessive extortion. In other words, the best thing for Egypt, in as far as the people are concerned, would not be its annexation to England, but the transfer to England of the authority exercised, or rather supposed to be exercised, over the Khedive by the Porte. If there were

a British Resident at Cairo supported by the very small naval and military force required to protect the canal, we should confer the utmost benefit on the Egyptian people, and inflict the least detriment on the authority of the Khedive consistent with providing adequate security for our own interests. The Khedive would be compelled to govern with decent regard to justice and humanity by the consciousness that any gross outrage would be brought to the knowledge of the British Resident, and that continued misgovernment would entail his deposition, while on the other hand the country would still be administered in the way best suited to the character of the people.

It would be mere hypocrisy to contend that the primary motive with which I, and those who think with me, advocate the occupation of Egypt is a desire to benefit the condition of the people. If this were our motive, it would be our duty to recommend the annexation of Upper as well as Lower Egypt. The reason why I advocate the measure is because I regard it as one demanded by our Imperial interests under the changes now impending in the East. Still it is not unimportant to show that, in thus protecting our route to India, we should at the same time, as I believe, confer a

great boon upon the people of Egypt. In the same way—though I regard this also as a matter of subsidiary importance—it is worth while to point out that this extension of our responsibilities, if not of our dominions, would involve little or no outlay on our part. Every financial authority who has examined the condition of Egypt is agreed that its revenue may fairly be calculated at close upon £10,000,000 a year. Now, if the Khedive were relieved from the necessity of keeping up an army out of all proportion to the real need of the country, as well as from the obligation of paying tribute both directly and indirectly to the Porte; if he were further restrained from costly schemes of annexation, from insane outlay on unremunerative works, and from reckless personal extravagance, the cost of the administration and the court might be well defrayed for some three millions. Moreover, given the protection that would be secured by British control, and we might reckon safely on a rapid increase in the revenue, which is mainly derived from the land-tax. The climate is so perfect, the soil so fertile, the population so industrious, that it is difficult to assign limits to the productiveness of Egypt under decent government. If there were anything like security of tenure, if there were any reasonable probability

that the tiller of the soil would reap the fruit of his own labour, and the profit of his own improvements, if there were any approach to certainty that when once the legal taxes, however onerous, had been paid, no more would be required of the tax-payer for a stated period, you would witness a perfectly marvellous development of native industry. Moreover, the area of cultivation might be almost indefinitely enlarged by the extension of irrigation works. If once you had security for property, foreign capital would find few more lucrative employments than the reclamation of the desert fringe adjacent to the Delta, which only requires water to render it the most fertile of soils. It is not an exaggeration to say that under British control Egypt could liquidate her debt in half a century, without laying any greater burden on the tax-payers than they would gladly and cheerfully pay in return for protection to life and security to property. Never was there a country which from its natural configuration and the character of its inhabitants could be more easily or economically governed than Egypt. Questions of hostile nationalities or rival creeds hardly enter into the consideration of an Egyptian ruler.

Moreover, if we had once a *locus standi* in Egypt as the dominant power, we should occupy a com-

manding position over the whole region lying between the Red Sea and the frontiers of India. It is no mere accident that the dominion of Syria and Arabia has, with rare intervals, belonged to the Power which held the Isthmus. Given a strong military position in Egypt, and we could afford to be indifferent to any attack on India along the Euphrates valley. The Egyptian troops, when well led, are excellent ; and the Bedouins, who would be at the disposal of any Power exercising a protectorate over Egypt, would supply us with the means of conducting desert warfare. All these, however, are collateral and subsidiary advantages to which I attach comparatively little value. The one thing needful for us is to secure the free passage of the canal.

If I have made my meaning clear, it has become to us, under the existing, and still more under the impending, conditions of Eastern Europe, a matter of absolute imperative necessity to secure a permanent free right of way through the canal in times of war as well as in times of peace. No scheme of neutralization can meet our wants. Indeed, neutralization, in any intelligible sense of the word, would place us in a worse position than that which we at present occupy. International

guarantees, whatever their intrinsic value may be, are not securities on which we can afford to stake our free communication with India, or, in other words, the security of our Empire. A conviction of the absolute necessity of our securing command of the canal is shown in the demand recently raised for its purchase. But even if by arrangements with the shareholders we could place ourselves in the shoes of the Suez Canal Company, we should only have advanced one step towards the attainment of our object. As our route to India, thanks to the canal, lies across the Isthmus, and as the holder of the Isthmus commands the canal, we ourselves must, for our own safety's sake, be the holders of the Isthmus. Either we must be prepared to see our highway to India barred or interrupted in the event of war, or we must occupy Lower Egypt. From this dilemma I can see no escape.

To recapitulate—I have shown, or at any rate endeavoured to show, that the reopening of the Eastern Question renders our trans-isthmus route to India of more vital importance to us than it has been hitherto ; that it lies within our power to make ourselves masters of the canal and the Delta without any immediate difficulty ; that, owing to the existing relations of the European Powers, we could

now, for the first, and possibly the only, time in our history, become masters of Egypt without exposing ourselves to the risk of an European war, and without giving mortal umbrage to any other nation ; that the various rights of ownership in the canal might be purchased by us at no very heavy cost ; that the Khedive himself could, with no great amount of pressure, be induced to accept our protectorate as an escape from more urgent and formidable perils ; and that the protectorate thus established would be a positive advantage not only to ourselves, but to the people of Egypt. In plainer words, an unparalleled opportunity is afforded us for obtaining possession of the canal and the Isthmus with little cost or risk ; and this opportunity comes, too, at a time when the possession of the canal is exceptionally important to us. Shall we avail ourselves of this opportunity or let it pass by ? That is the question. I am not blind—no thinking man can be blind—to the ulterior consequences of such a step. If we take it we must be prepared to run the risk of an extension of our Imperial responsibilities, of possible complications in the future, of not improbable entanglement in the issues which are sure to ensue upon the settlement of the Eastern Question. My answer is, or would be if I were

called to decide, It is too late for us to shrink from responsibility. If it were given to any Englishman to say now whether, if the past could be undone, it would be wise for us to enter on the career which has made these small and remote islands the centre of a world-wide Empire, I can understand how the most patriotic and fearless of our fellow-countrymen might shrink appalled from the magnitude of the task we should be called on to undertake. But the time has gone by when we could enter on any such speculation. For evil or for good the burden of Empire has been placed upon our shoulders. We would not, I believe, lay it down if we could ; we could not if we would. We, too, have our manifest destiny, which we have no choice save to follow. And if a want of resolution, a shirking of responsibility, an irresolution of purpose, or a dread of incurring reproach, should cause us at this crisis of our fate to hesitate about establishing our right of way across the Isthmus, then I can only fear that as a nation we have lost those imperial qualities by which our forefathers created the England of to-day.

THE FUTURE OF EGYPT.

(AUG. 1877.)

THE article on "Our Route to India" met with a more favourable reception, in as far as public opinion was concerned, than I could reasonably have expected. My article was, and was understood to be, a plea for the immediate occupation of the Isthmus in order to secure our communications with India. The response which the article in question elicited was due not to any great novelty in the conclusion, or in the arguments by which it was enforced, but to the circumstance that it expressed a truth which it was well, and was felt to be well, should be spoken plainly. The objections raised to my proposals were rather matters of detail than of principle. Indeed, there seemed to be a general acknowledgment, both at home and abroad, that the occupation of Egypt by England is only a

matter of time ; and the point on which my critics mainly disagreed with me was that they did not recognize as fully as I did the urgent necessity for immediate action in order to accelerate what they regarded as a foregone conclusion.

Of the objections raised to the proposed intervention there are some few on which I should like to dwell a little more at length. I am told, then, by partisans of the Turkish cause that, even admitting the force of my views, England could not act upon them without supplying Russia with an excuse for the partition of the Ottoman Empire, and thereby hastening the downfall of Turkey. My answer to this is twofold. In the first place, I regard it as an error to introduce considerations of sympathies or antipathies, or of the respective merits of Turkey and Russia, into the question of England and Egypt. Indeed, to my mind, the most painful aspect of this whole Eastern controversy is the extent to which the interests of England are habitually over-looked by Englishmen in comparison with collateral considerations which, however deserving of attention, cannot, and ought not to, decide the imperial policy of this country. Whether we regard the Turks as the victims of unprovoked aggression, or whether we hold that we ought to wish God speed

to Russia in a noble and righteous work—whether we sympathize with Bulgarian Christians or with Circassian Mohammedans—the course of England must still be determined by hard facts, not by sentimental theories. Now, as a matter of fact, we have hitherto allied ourselves with Turkey, not because we held her to be in the right, still less because we approved of her system of government, but because we believed that the maintenance of her independence was conducive to our own power and safety. If it appears certain that this independence can be maintained no longer, then the same motives which formerly induced us to support Turkey should induce us to seek elsewhere for the safeguards she has ceased to be able to supply. But, in the second place, the mischief, if mischief there is, has been done already. Before the late war broke out there would have been considerable force in the argument that, however advantageous the occupation of Egypt might be to England, we could not undertake it without affording Russia an excuse for the dismemberment of Turkey. As things are, the excuse is no longer needed. Russia has invaded the Ottoman Empire, in Asia as well as in Europe, with the avowed object of settling the Eastern Question by force; and to suppose

that Russia will not venture to undertake the partition of Turkey unless she can obtain some sort of moral sanction for so doing by our conduct towards Egypt appears to me the wildest and most childish of delusions.

Another objection has been raised to our taking possession of Egypt on the ground that we ought not to set an example of high-handed violence. I have endeavoured to show in my previous article that there is no necessity for violence of any kind, and I need not repeat the arguments I have already used. As a matter of fact, our occupation of Egypt would be hailed by the vast majority of the inhabitants as a deliverance from intolerable oppression.* But even if this were otherwise, I own frankly I should still advocate occupation as essential to our own imperial welfare. The question of international ethics is far too wide a one for me to enter upon. This much, however, I may fairly say, that if we are not to secure our position in Egypt because we could not prove any technical justification for our action before a tribunal of international jurists, we should have to unwrite our own history. Whether any nation is ever justified in extending its own

* This article, it should be mentioned, was written while Ismail Pacha was still the uncontrolled autocrat of Egypt.

territories to the possible detriment of another is a fit subject of speculative discussion. But unless we are prepared to initiate a new era of international morality, to forego all claim to rank among the empires of the world, and to abandon Ireland as well as India, we cannot plead tenderness of conscience as a ground for refusing to secure our route to India at the possible expense of Egypt. Idealists may believe in the advent of a better age, when all the nations of the earth shall study each other's interests in preference to their own. But that time has not come yet, nor, in as far as I can see, is there any likelihood of its coming. For the present we must go on as we have begun. There is too much truth in the French proverb that *il faut hurler avec les loups*. We could wish sincerely there were no wolves about, and no necessity for us to howl with them. A very strong argument may be shown against the abstract morality of trade, and I for one should find it difficult to reconcile the principle of buying cheap and selling dear with the creed we all profess to hold. But if you are in business and do not want to go into the *Gazette* you cannot conduct your trade in accordance with the dogmas of primitive Christianity; and England is not only in business, but has not

the power, even if she had the will, to retire into private life.

So much for sentimental objections. One of far more weight, to my mind, is to be found in the assertion that an occupation of the Isthmus on the part of England, even though it might be effected without opposition, would give such mortal offence to France as would involve the certainty of a collision between the two countries whenever the latter was in a position to reassert its claims. Even if this assertion were true, the question whether the possible risk of a war with France was a greater evil than the certainty of our communications with India being rendered insecure is one on which there would be much to be said. But I see no cause to admit the truth of the theory that France would resent English intervention in Egypt as an outrage upon her interests or her dignity. The question mooted in my previous article was very widely discussed in the leading French papers, and, as far as I can learn, no serious outcry was raised to the effect that England was taking advantage of the prostration of France in order to deprive her of the footing that French enterprise and French capital had established in Egypt. The Suez Canal was constructed with French money and by French enterprise, and

the French shareholders have undoubtedly a moral as well as a legal right to most ample compensation in case any detriment should be inflicted upon their property. Nor can it fairly be denied that the property in question would, from a French point of view, lose in political, though not in pecuniary value, supposing it to be placed under the protectorate of England. On the other hand, the Suez Canal shareholders must be very unlike the run of French *actionnaires* if they are indifferent to pecuniary considerations. I do not deny for one moment that a genuine desire to promote an enterprise deemed certain to enhance the grandeur of France was one of the motives which induced the small proprietors under the Second Empire to invest their savings in M. de Lesseps' scheme. But this was by no means the sole, still less the principal, motive by which the original purchasers of the canal shares were influenced. The main motive was a belief that the investment involved no practical risk, and held out a prospect of fabulous profits. Nor was this belief an unreasonable one at the time. The credit of the Imperial dynasty was so closely associated with the success of the canal that, so long as Napoleon the Third remained on the throne, the shareholders

had a virtual guarantee against any discreditable collapse of the enterprise as a financial undertaking ; while if the Isthmus route, as M. de Lesseps calculated, had proved available for ships as well as for steamers, and if the course of trade between East and West had, as he also anticipated, been forthwith diverted from Liverpool to Marseilles, the receipts of the canal dues would have sufficed to pay a very high dividend. But under present circumstances, I believe a proposal on the part of the British Government to take over the canal on condition of guaranteeing a fair dividend, would be hailed with satisfaction by the shareholders, who know that since the downfall of the Empire they have no longer the French Government at their back.

Nor do I believe that the cession of the canal to England would be really unpopular in France. It is at once the strength and the weakness of the French nation, that its whole attention is concentrated upon itself. The acquisition of outlying empires or the loss of colonies does not come home to French national sentiment. The desire to establish French supremacy in the Levant, and to turn Egypt into another Algeria, was a tradition of professional French statesmanship, not the out-

come of any popular instinct of empire such as that which established our rule in India. The same semi-religious semi-political sentiments which made the occupation of Rome on behalf of the Papacy popular, in reality if not in name, with all parties in France, would doubtless lead the French public to endorse any policy by which France could assert the supremacy of the Latin Church in the Levant. If the choice between the possession of Egypt and the protectorate of Palestine could be offered respectively to France and England, ninety-nine Frenchmen out of a hundred, if they cared for either, would prefer the latter; while out of the same number of Englishmen a well-nigh unanimous vote would be given in favour of the former. After all, the commercial interests of France in Egypt, as well as in the lands to which the Isthmus is the highway, are utterly insignificant compared with those of England. If you put aside French speculators in Egyptian securities, the mercantile connection between France and Egypt is extremely limited. There are numbers of Frenchmen in the Khedive's service, while the retail shops in Cairo and Alexandria which cater for European custom are largely in French hands. But, leaving the canal out of consideration, I know

of no important industrial undertaking in Egypt supported by French capital or managed by Frenchmen. If I am told that, allowing all this, the French *point d'honneur* is somehow identified with the supremacy of French influence in Egypt, my answer would be that France, after all, is in her own way eminently practical, and that, as the one pre-eminent and absorbing idea of all Frenchmen at the present crisis is the protection of France from further aggression at the hands of Germany, the action of England with regard to Egypt would simply be judged in France by its possible bearing on the relations between herself and Germany. For various reasons, which I have not space to enter on, French politicians hold, whether with or without justice, that an English occupation of Egypt would render the alliance of France more essential to Great Britain than it would be otherwise; and, holding this, they are ready to acquiesce in any policy which might strengthen England's interests in the Isthmus of Suez.

The above objections seem to me to be the only ones of a general kind which require any specific answer. I observe, however, that many people who agree in principle with the views I have expressed as to the expediency of direct inter-

vention in Egypt are alarmed at the supposed cost and embarrassments which such an intervention must entail. Now it would be absurd to deny the possibility of serious embarrassments arising out of any distinct assertion of British supremacy in the Delta. If we placed a corporal's guard at Port Said, we should be compelled, if needs be, to defend that guard with the whole force of the Empire. And if, taking into account the extent of our present Imperial liabilities, we were able to dispense with the additional responsibility of having to defend our route to India across the Isthmus, I for one should deprecate the aggrandisement of our already unwieldy Empire. But, as I endeavoured to show in my previous article, we have to choose between strengthening our hold on Egypt and weakening our hold on India.

If we are not to take Egypt because, under certain possible contingencies, we might have to fight for its possession, we ought, not only in logic but in common sense, to give up Gibraltar, Malta, and India itself, for any one of which we are liable to be called upon to fight under various by no means impossible eventualities. But my contention is that, apart from the general responsibility which the possession of any new territory entails of necessity,

there is nothing in the conditions of Egypt to justify the apprehensions expressed as to the burdens which its occupation might entail upon us. It is idle to argue from the analogy of India, or to say that, because we find the task of governing the three Presidencies a work of difficulty, we should only add to our troubles by having to rule the Isthmus as well. In Egypt there are, practically speaking, no varieties of race, or faith, or language. With the solitary exception of the Khedive, there are no native princes, no colossal landowners, no powerful chiefs to thwart or embarrass our action. No conquest would be required, no popular resistance would have to be overcome. The fellahs, who form ninety-five per cent. of the whole population of Egypt, would hail our arrival as a deliverance from intolerable oppression. Old Mehemet Ali used to say in his confidential moments, "*Si le fellah pouvait vomir, il vomirait un Turc,*" and the saying expressed faithfully enough the ordinary sentiments of the Egyptian bondsman towards his Turkish taskmaster. During the centuries throughout which Egypt was ruled directly from Constantinople, the dependency was treated much as Sicily was by Roman proconsuls of the Verres type. The pacha was, as a rule, the

favourite of the seraglio, who was sent to Egypt as a reward for service in the harem, and who, knowing that he was liable to be recalled at any moment by caprice or intrigue, thought of nothing except extracting the utmost amount of money he could from the province during his pashaship. This state of things was brought to a close by Mehemet Ali's successful insurrection, and then, for the first time since its conquest by the Turks, Egypt was placed under rulers who had some sort of interest in her welfare and prosperity. It would be an utter delusion to suppose that the founder of the reigning dynasty had any idea of creating an Egyptian nationality, or any wish to ameliorate the lot of his people on humanitarian grounds. The only change effected in Egypt by the pachaship being made hereditary was similar to that effected in a slave plantation when the estate is administered by the owner instead of by hired overseers. Still the change was one for the better, and the fellahs have seldom been so well off as they were under Mehemet Ali and his immediate successors. Under the present reign, however, the burden of the enormous debt contracted by the Khedive has compelled a resumption of the old system of extortion. The extent to which the oppression of the fellahs is

carried may be best estimated by the fact that in many districts they are selling their land to escape payment of the taxes. The passion of the French peasant for his field is feeble compared with that of the fellah for his plot of ground. 'Lack-land' is about the most opprobrious term one fellah can apply to another, and yet in hundreds of instances within the last few years the small proprietors of the Delta have sold for a song the land which they and their fathers have owned for centuries, simply and solely because their lot had become too grievous to be borne. All they ask or hope is to be allowed to live upon their labour. That the profit of their toil should be taken by their masters seems to them the natural order of the universe, and any government which afforded them a certainty of enjoying in peace the margin of their crops left after payment of all dues, taxes, imposts, and fees, would be welcomed by them as the most beneficent of administrations. Still, even if this were otherwise, if the reigning dynasty were personally beloved in Egypt, and if the fellahs had no desire for change of any kind, the government of the Khedive might be overthrown without the remotest prospect of any popular resistance being offered. From time immemorial the Egyptians have been used to bondage,

and the time has not yet come, if it ever will come, when they can have either voice or part in the determination of their own destiny.

Given the conditions of Egypt and the relations between the population and the ruling dynasty, England, or, for that matter, any European Power, might establish her dominion over the country without any fear of internal opposition. Nor need there be any difficulty as to the administration of the country if we are content to govern it in accordance with its existing institutions. The whole theory of Egyptian administration rests upon the supremacy of the sheik. In every village, however small, the community is governed by a head man, who acts as the medium of communication between the village and the State. The sheik occupies a position somewhat analogous to that of an English squire, supposing the squire to collect and apportion all rates and taxes, to administer the affairs of the villagers, and to represent them on all public occasions. As a common rule, the sheik is the wealthiest man in the community ; but whether this is the effect or the cause of his sheikship it would be hard to say. The office goes as a rule to the head of the family according to Mohammedan law ; and the central Government has, as a rule, little to do with the

appointment to the post, which is regulated, like the headship of a tribe, on a certain sort of "survival of the fittest" principle. Thus the sheik may be called the unit of all Egyptian administration. The Khedive decrees that a tax shall be levied or a public work performed. Upon that orders are sent from Cairo to the Mudirs or prefects of the different provinces, who are officials appointed by the Khedive, to the effect that the province must furnish so much money or so many labourers. The Mudir then apportions to each sheik the share of money or labour each village has to contribute ; and he is left to allot the contributions amidst the villagers. So long as the requisite supplies are forthcoming, no question is asked, and no particulars are demanded. It might be thought that this system would give rise to gross individual extortion ; but, as a matter of fact, the oppression the fellah suffers from comes from the Government, not from the sheik. Why this should be it is not very easy to explain. As is the case with many other institutions in the East, all you can say about the sheik system is that it is so because it always has been so. The sheik is not a Government official, but a local head man, amenable to the public opinion of the community, and regarding himself as the champion of its interests and rights. In as far as

the outer world is concerned, the sheik is the community. It is the same even in the towns. If property is stolen by a Cairo donkey-boy, it is the sheik of the donkey-boys who has to make good the loss. If a jeweller sells silver below the standard mark, it is the sheik of the jewellers to whom the defrauded purchaser looks for redress. In fact, the whole internal administration of Egypt is based on the principle that the State does not deal directly with the individual, but exercises its authority over the individual by the agency of the sheik. And as between the sheik and the individual, the arbitrary power of the former is circumscribed by the authority of the *cadi*, who administers the law of the Koran, and who, holding his office in virtue of his ecclesiastical position, is to a very great extent independent of what we should call the civil government. I am not sure how far my definitions of the sheik and *cadi* are technically correct. Of all the many points in Oriental matters difficult for a foreigner to comprehend, the most difficult is the exact degree of power possessed by the various conflicting authorities which administer the affairs of the State after their own fashion. But still I think no one acquainted with Egypt will contradict me in saying that any system of government, to be

acceptable to the instincts of the country, must be based upon the principle of leaving the actual execution of the laws to the sheik and the cadi.

I have dwelt upon this point because I hear it said that if we occupied Egypt we should have to import an army of British officials, and to introduce English laws, customs, and institutions. Nothing of the kind is necessary. Once given the power of controlling the head of the State, and the whole work of administration might go on as at present, conducted by native agency upon native principles. What I—in common, I think, with all those who know the country—desire is not to convert Egypt into a province ruled by British officials, but into a native state under the authority and protection of England. Slavery by law is already—in theory—sentenced to extinction in Egypt, and under vigilant British supervision it would soon become extinct in practice. The slave trade would be suppressed at once, if the pachas found that they could no longer purchase slaves with immunity. Putting aside slavery, there are no other of the peculiar institutions of Egypt with which we should be called in any way to interfere. If we once secure the fellaheen immunity from *corvées*, the right to labour in their own fields, and to keep the fruit of their own toil,

we may leave them to live out their lives after their own fashion. We are not bound, even if we were able to do so, to convert the fellah to Christianity, or to impress him with an abstract preference for monogamy, or to show him the advantage of sanitary reform. All these things must come much later if they come at all. For the moment we shall have done our full duty towards him if we protect him from torture, extortion, and virtual slavery ; and this we can do at once if we only take the steps we are bound, as I hold, to take in our own defence. It has not seemed to me honest to base my plea for occupation on the ground of the benefit we should confer thereby on the fellaheen. I hold that we ought to occupy the Isthmus because the command of the canal is essential to the safety of our route to India, and because the canal can only be commanded by the Power which occupies the Isthmus ; and, holding this view, it is mere hypocrisy to pretend that our main object is to improve the condition of the fellah. But, to my mind, it is no slight recommendation to the course demanded by our own most vital interests that incidentally it would involve the practical emancipation of the fellaheen from most cruel oppression and wrong.

There are various ways by which this end could

be accomplished without difficulty. As I have explained in my previous article, no great display of military force, no permanent establishment of a large garrison in the Isthmus, is required to secure the command of the canal. For the present, the mere hoisting of our flag at Port Said and Suez would suffice to show the world that the Isthmus, if needs be, would be defended by the whole power of the British Empire, and would thus guarantee us against any possible interference with the canal. For the future, the erection of a few forts on the Syrian side of the Isthmus, the presence of a small British garrison at Alexandria, and the stationing of an ironclad at Port Said, would amply suffice for our protection. But besides this, or rather in order to accomplish this, as I have explained elsewhere, we must exercise supreme authority in Cairo. It is not necessary, nor, as I think, desirable, that we should undertake the administration of the Isthmus. On the contrary, it would be better if the country were administered in the name of the Khedive by officials holding their posts directly from him. But what is necessary if we are to obtain any effective command of the canal is, that we should have a general control and right of veto on the external and internal proceedings of the Egyptian govern-

ment in as far as the Isthmus is concerned. Strictly speaking, all we should require for our safety as the holders of the Isthmus would be a right of garrisoning certain points, and a general authority over the railroads, canals, and irrigation works of the Delta, so as to insure our military position suffering no detriment. But, as a matter of fact, we could not possibly allow a State occupied by our troops, and taken under our protection, to have independent relations with foreign and possibly hostile Powers, or to rule its subjects in such a manner as to outrage every principle not only of humanity, but of common prudence. And this being so, we must, if we are to do anything at all, place the Khedive under some form of restraint. This might be done either by having a British Resident at Cairo, or by inducing the Khedive to entrust the management of his affairs to Administrators, who would be appointed with the consent of our Government, and who could not be dismissed without our sanction. For my own part, I see little difference in reality between the two schemes. But persons intimately acquainted with Egypt assure me that the Khedive would much prefer the latter arrangement, and that it would give us a more effective control than could be secured by the mere presence of a Resident at

Cairo. Still, whatever might be the name or position of the representative of British authority, his duties would be confined to three points: He would have to see that nothing was done to impair our military position, that the country was not ruined by over-taxation, and that the population was not subjected to gross and intolerable oppression. When once he had secured these objects, he should, as I deem, interfere as little as possible with the details of administration. Of course, as long as an Oriental country is administered by Oriental officials, there will be isolated cases of extortion and ill-usage. But the Egyptians, like all subject races, are quick enough in seeing where the real mastery lies; and if there were a British Resident or Administrator at Cairo, no general or permanent system of oppression could be carried on without appeal being made to his authority; and the mere knowledge that this was so would suffice to prevent the perpetration of gross outrages such as those of which the fellaheen are now the constant victims.

The limits of space forbid my entering on the details of the process by which occupation might, according to my view, be effected with the smallest encroachment on the Khedive's authority and the least interference with Eastern customs and modes

of life. Still, it would be dishonest, even if it were possible, to ignore the truth that any process which would satisfy the requirements of the case would amount to occupation. A protectorate over a native State must involve the possibility, if not the probability, of ultimate occupation. If I am told that under no possible circumstances would it be wise or lawful for England to occupy the Isthmus, then further argument is useless. But if the possibility of such an occupation is once admitted, then I am entitled once more to urge the advantages of immediate action. Since I last wrote, the impending downfall of the Ottoman Empire has become more and more imminent. Just at this moment a fortuitous concurrence of circumstances has enabled us to possess ourselves of the Isthmus, and to do so without fear of a foreign war, without cost, without the possibility of resistance, and without the violation of international equity. Personally, I have never been able to join in the outcry against Muscovite greed of conquest. Speaking impartially, the Russians have as good a right to extend their dominions in Central Asia as we have in the Indian peninsula ; they are as much or as little entitled to seize the Dardanelles as we are to hold the Straits of Gibraltar. They are only following

their manifest destiny as we have followed ours—as every master nation has done, and will do to the end of time. As a matter, however, of precedent, there is little or no analogy between the partition of the Ottoman Empire as now being carried out by Russia, and such an occupation of Egypt as I have proposed. We should occupy the Isthmus in self-defence, not as an act of aggression. We could do so, as I believe, with the consent of the Porte, with the acquiescence of the Khedive, and with the sanction of the great European Powers. We should confiscate no territory, expel no population from their homes, and interfere violently with no question of creed or race. We should improve the position of everybody who has property on the Isthmus, and we should be welcomed as deliverers by the people of Egypt. If Russia really requires precedents for seizing by violence on the Sick Man's inheritance, she may find them far more easily in our own past annals than in an occupation of the Isthmus for the avowed object of protecting our route to India.

As I have said before, my views are, I believe, shared by the great majority of Englishmen. Indeed, there is a tendency amongst our public to regard the occupation of Egypt as a mere question

of time, and to assume, therefore, that there is no need for prompt action, as we can always take the Isthmus whenever we think fit. The whist-player's maxim that "the cards never forgive" is based upon experience of the fact that when you have got the game in your own hands and throw the lead away, the peculiar combination under which success was possible is not likely to occur again. For the moment a most exceptional combination of circumstances has placed us in such a position as to enable us to take possession of the Isthmus without opposition, and without risk of international difficulties. If we wait till the war is over, the combination is at once dispersed. When first the Eastern question was re-opened by the insurrection in the Herzegovina, one of the most far-sighted of living statesmen, who was well acquainted with Egypt, said to a British minister: "You English have, whether you like it or not, to establish your supremacy in Egypt. You can do it now without disturbing the peace of Europe and without cost to yourselves; but if you do not act now the only difference will be that a few years hence you will have to seize Egypt at the close of a general war and at the cost of millions." How far this forecast is justified, the future will have to show.

THE DEBTS OF THE KHEDIVE.

(DEC. 1877.)

IN the foregoing articles on Egypt, I have dwelt but little hitherto on the economical aspects of the Egyptian question. I have refrained from so dwelling because the policy of intervention I have advocated is based upon considerations entirely independent of the interests of Egyptian bondholders. The welfare and safety of our Empire are the main grounds on which I have desired to justify my plea for action. From this point of view the welfare of the Khedive's creditors must be an object of subsidiary importance. Still the political and the financial aspects of the Egyptian question, though of very different respective importance, are inseparably connected with each other. If in any tangible form, either through direct intervention, or through supplying the Khedive with the assist-

ance of British officials or administrators, we undertake to exercise control over the government of Egypt, we do undoubtedly become more or less responsible for the liabilities of Egypt towards its foreign creditors, and for the good administration of the country. Now the most forcible of the arguments raised against the policy of intervention are to my mind the following. The first is that intervention would involve us in financial responsibilities of unknown amount and indefinite extent. The second is that, by interfering in the affairs of Egypt, we shall virtually be supplanting a native government, which, however defective according to a European standard, is in harmony with the customs, traditions, prejudices, and tastes of the population over which it rules. The answer to these objections is to be found in the economical record of the Khedive's reign. The liabilities of Egypt are formidable, not so much for their amount as from their origin. If it can be shown that her financial embarrassments are due in the main to a vicious system of administration based upon unsound principles, and if it can be shown further that this system is an innovation on the normal and natural course of Egyptian government, then there would be nothing in the financial

position of the country to inspire permanent alarm. Moreover, from this point of view, the interests of Egypt and of its creditors are identical. If the country is being ruined by unwise and unjust principles of administration, then it is equally for the benefit of the people and of the bondholders that these principles should be replaced by others more in accordance with justice and common sense. If we can ascertain how it is that Egypt has been brought to the brink of ruin within fourteen years, and why it is that with unparalleled natural resources, with an industrious population, and under the pressure of no exceptionally adverse circumstances, she has been unable to pay her way, we shall be able to make a fair guess as to the character of her liabilities, and as to the extent to which her Government studies the interests, harmonises with the wishes, and responds to the exigencies of her population. The subject is far too wide a one to be discussed within the limits of an article. All I can hope to do is to point out in outline the chief causes which have reduced Egypt to her present plight. My object, then, is to show that the embarrassments of Egypt are due in the main to the fact that the Khedive has not governed in accordance with the usages and traditions of the

country, and that these embarrassments would be relieved, if not removed, if once the relations between the ruler and the ruled were re-established on the old and accustomed basis.

It is probable that at no distant period this aspect of the Egyptian question will be brought by the force of circumstances into prominence. It is barely twelve months since Mr. Goschen's scheme for the reorganisation of the Egyptian debt was finally accepted by the Viceroy. Within the last few weeks His Highness has informed the representatives of the bondholders that the data on which the scheme was based—data furnished by the late Minister of Finance—were erroneous; that, in consequence, the country is overburdened by the payment of the interest agreed upon; and that a fresh arrangement ought to be concluded on a new and more equitable basis. This proposition was accompanied by a suggestion that a commission of inquiry should be appointed to investigate and report upon the true resources of the country. The representatives of the creditors did not refuse to entertain this proposition in principle, but expressed their conviction that the proposed inquiry must extend to the system of administration as well as to matters of account. Owing to various

causes I need not enter on here, the matter has been dropped for the present, and the arrangement concluded by Messrs. Goschen and Joubert remains in force. The mere fact, however, that the Viceroy has recognised the truth that the causes of his liabilities are a matter of as much concern to his creditors as their amount, is in itself a hopeful sign. Sooner or later, the inquiry contemplated in the recent negotiations will have to be made; and whenever that inquiry is made the pecuniary embarrassments of Egypt will, I am convinced, be found to be due to one cause, and one cause only—the system under which the country has been administered throughout the reign of the Khedive, in defiance of every principle of political economy, common sense, and ordinary justice.

It is now fourteen years since Ismail Pacha ascended the throne of Egypt. In 1863, the public debt amounted in round numbers to under four millions. The revenues practically balanced the expenditure; and, whatever the defects of the government might be, the financial condition of the country was excellent. From 1863 to 1877 the taxation has been more than doubled. Within the last fourteen years, the cultivators of the soil, who practically supply the revenues of Egypt, have

paid, either directly through taxes or indirectly by duties, into the Treasury—which up to quite a recent period was identical with the Khedive's privy purse—a sum of fully one hundred and forty millions. These figures, I may add, are in substance identical with those of Mr. Cave's and Mr. Goschen's reports. Moreover, a very heavy deduction may be made from the above calculations without affecting materially the conclusions I deduce from them. Not content with the normal augmentation of his income, the Khedive has, as so many people know to their cost, borrowed money on an enormous scale. In the few years of his reign he has raised the public debt from four to sixty millions, exclusive of the debt of £17,000,000 guaranteed on the railroads and of private loans amounting to some £10,000,000, thus creating a total of liabilities incurred of £87,000,000. Of course a large percentage must be deducted from these nominal advances for commissions, discounts, and renewals. Still, after making every reasonable and unreasonable allowance, it is certain that something like forty millions of hard money has been loaned to the Egyptian Government between 1863 and 1877. If the Khedive were in the position of an ordinary trader,

he would be called upon to account for the fact, that having received not far short of two hundred millions since he entered, fourteen years ago, on an almost unencumbered estate, he is now deeply indebted. In fourteen years he has burdened Egypt with a debt the mere interest upon which exceeds the total charge on the resources of the country at the time of his accession; and his subjects have even a stronger right than his creditors to ask what he has to show for so heavy a debt, so vast an expenditure, so ruinous a taxation.

I am anxious to avoid any appearance of exaggeration. The annual cost of the public service in Egypt, as given by the figures published in official statements, endorsed time after time by the Khedive himself, is £3,500,000. But putting this outlay at £4,000,000, we account for only £52,000,000 as spent on the administration of the State during His Highness's reign. How can the difference be accounted for? The panegyrists of the Viceroy are wont to meet any demand of this kind by dwelling vaguely on the great undertakings which have been carried out either directly by Ismail Pacha or indirectly by his assistance. Now, I admit fully that if it could be shown that the

Viceroy has plunged his country into debt in order to carry out productive works, or even works that he believed, however erroneously, were likely to benefit the State, the moral estimate of his extravagance would be altered in the opinion of the world, though its practical result might remain the same. But what are the works on which this enormous surplus of receipts over expenditure can be even imagined to have been spent? The Suez Canal has been completed. The Sweet Water Canal has been constructed. Docks have been made at Suez, and are making at Alexandria. Some eight hundred miles of railway have been built in addition to those already existing at the time of His Highness's accession. It is true that these new railroads, unlike those connecting Alexandria with Cairo and Suez, have been built chiefly, if not exclusively, to provide the viceregal estates with access to the markets; but still they have been made, and are available for traffic. Then too considerable alterations have been effected in Cairo, especially in the Esbekieh and Ismailia quarters, which, though of doubtful advantage and still more doubtful taste, may fairly be placed under the category of public works. But with this the category is exhausted. No doubt canals have been

constructed in various parts of the country during the present reign ; but these works have not been constructed out of the funds of the State, but by the work of the population. Even on the railroads the earth work was done by compulsory and unpaid labour, so that the actual cost out of pocket was comparatively small. The true outlay on these works may be calculated as follows :

	£
Suez Canal	say 10,000,000
Sweet Water Canal	1,000,000
Harbour of Suez	1,000,000
Port of Alexandria	2,400,000
Eight hundred miles of railway with rolling stock, at £4000 per mile	3,200,000
Alterations at Cairo	2,000,000
Arms and accoutrements	2,000,000
	<u>£21,600,000¹</u>


I may add that the statement as to the charge to Egypt of the Suez and Sweet Water Canals is derived from M. de Lesseps' declarations to the Suez Canal Company ; that the amount due for the Port of Alexandria is only partly paid as yet ; and that, though the cost per mile of the railroads may seem low according to an English standard, yet that the lines in question are of a very rude

¹ No account is taken in this calculation of the £4,000,000 paid to the Khedive by our Government for his shares in the Canal.

description, presenting few or no engineering difficulties, and that the labour employed in their construction was obtained without payment. If we even allow that this total may be fairly raised to £25,000,000 by miscellaneous expenditure of a more or less legitimate kind, we still have the astounding result, that within fourteen years over a hundred millions have passed into the hands of the Khedive, as to whose disposal no account ever has been or, as I believe, can be rendered. Of all tasks the most thankless is an endeavour to unravel the various modes in which money is muddled away by extravagant expenditure, bad management, unprofitable speculation, and reckless borrowing. To do the Khedive justice, the money went as fast as it came in; and it is only since his position has become critical, politically as well as financially, that he has begun to hoard money for his own private use. Anybody who has visited Egypt of late years, and has noted the operas and theatres, the palaces and gardens, the unfinished works, the deserted factories, with which the country is covered, and has then reflected on the ruinous manner in which these buildings have been erected, the incompetence, neglect, and extravagance with which these works have been carried on, may make

a fair general guess as to the way in which the country has been burdened with debt, without profit even to the author of all this waste and ruin. There is no undoing the past. But when I am told that the government of the Khedive is congenial to the character of the Egyptians, I may fairly question whether any country in the world is likely to feel grateful to a ruler who in fourteen years has squandered ten times the yearly revenue of the State upon his own follies and caprices, without having any return to show for it even in his own profit and aggrandisement.

But the truth is that this culpable indifference to the welfare of Egypt in respect of her finances is only part and parcel of the system under which the Viceroy has ruled, or misruled, the country. When His Highness succeeded Said Pacha, his private estates did not exceed 30,000 acres. At the present moment the Khedive, in his own name and in that of his mother and children, owns upwards of 1,000,000 acres—that is, fully one-fifth of the whole cultivable soil of Egypt. This extraordinary accumulation of property has been effected in little over a dozen years. Egypt, in proportion to her cultivated acreage, is one of the most densely populated countries in the world, as well as the




one in which property in the soil is held in proportion to population, by the largest number of petty proprietors. The subdivision of the land is due partly to the traditions of the country, partly to the instincts of the race, still more to the conditions of Egyptian cultivation. But, be the cause what it may, the passion for land is universal. The fellaheen are, and have been from time immemorial, a race of peasant farmers. Large properties are the rare exception, and such a transfer of proprietorship as is involved in the accumulation of one-fifth of the cultivable soil into the hands of one landowner in the course of a little over a dozen years could not have been effected without grave disturbance and detriment to public interests, even if it had been brought about simply and solely by the action of economical causes.

To say, however, that the transfer of this enormous area of land was not effected with the free will and consent of both parties is only to assert a truism. The great bulk of this land belonged to the fellaheen. The instinct of proprietorship is so strong in the fellah, that nothing short of absolute necessity will, as a rule, induce him to part with his fields, and to sink thereby from the position of a farmer to that of a labourer.

On the other hand the Khedive, in the absence of any legal tribunals to which the native can appeal for protection, has an almost unrestricted power of driving any bargain or dictating any terms he may think fit. Given these conditions, it is not difficult to form an impression as to the modes by which a million of acres belonging to the peasantry have been annexed to the viceregal estates. I am concerned, however, with accomplished facts rather than with the process by which they have been brought about ; and the economical objections to this extraordinary accumulation of land in the hands of the ruler of Egypt would be equally weighty if it could be shown to have been brought about by free sale and barter.

According to the common calculation as to the proportion between land and population in Egypt, I am not beyond the mark in saying that, as the immediate result of this huge transfer of property, little short of a million persons have had their homes destroyed, their lands taken from them, their position in life altered, in their own persons or in those of their families, from that of peasant proprietors to that of day labourers. In a country such as Egypt, where there is no trade but that of agriculture, the peasant clings to the soil with a



tenacity like that of the mussel to the rock ; and, without being a sentimentalist, it is impossible not to deplore the widespread misery caused by these wholesale evictions. All reforms, it may be said, are attended with suffering to individuals ; but the Khedive's passion for accumulating land has not even the justification of being dictated by economical considerations. On the contrary, such an accumulation is of necessity detrimental to the productiveness of the soil. Egypt is not a country where high farming, costly machinery, and the outlay of capital are required to make the earth yield forth her increase. Hand labour and constant supervision of the water supply are all that are wanted. It is obvious, therefore, that a system, under which small plots of ground are tilled by the owners of the soil, will in Egypt prove more profitable than a system under which large farms are cultivated by hired labour. Even under good and intelligent management the estates of well-to-do landowners produce one-third less per acre than those of the fellaheen, who employ no labour but their own. Even, therefore, if the Khedive had simply purchased at fair prices the lands he has taken, and had then cultivated them intelligently with free labour, there must inevitably have been

a heavy loss to the revenue, on account of the decreased productiveness of the land when tilled by hired labourers in lieu of the owners of the soil. Intelligence, however, is the last term which can be applied to the mode in which the Khedive has administered his colossal estates. The same restless greed of power which led him to conceive the ambition of becoming the owner of the land of Egypt, led him also to conceive the even wilder idea of farming his own estates from his own palace. It is not too much to say that Ismail Pacha has been his own bailiff, his own agent, and his own steward. It was the boast of Louis XIV. that not a cannon could be fired in Europe without his permission. It may be said to be the ambition of Ismail Pacha, that not a blade of grass should grow in Egypt without his permission.

The attempt to administer personally an enormous estate from Cairo, while at the same time the administrator was occupied with the affairs of state and was harassed with never-ending financial complications, has been carried out with the results that might have been foreseen. To speak the plain truth, the gigantic agricultural speculations in which the Khedive has embarked have resulted in a disastrous failure.

It may be said that the state of things under which the land of Egypt is being transferred from the ownership of the fellaheen to that of the Viceroy is a necessary consequence of the despotic system under which Egypt is ruled. My answer is that though a consequence it is by no means a necessary consequence. There is no reason in the nature of things why Ismail Pacha should not have been content to follow the example of his predecessors, and leave the fellaheen in the undisturbed enjoyment of their lands. What causes the misery of Egypt is not that it is ruled by an autocrat, but that—by a combination unparalleled, in as far as I am aware, in any other Oriental country—the autocrat is also a monster landowner, trader, and speculator on his own private account. As a matter of fact the Khedive has pretty well monopolised the whole native industry of Egypt. Being an unintelligent trader, his policy has been to sacrifice the interests of all private and independent enterprise to the supposed advantage of his own virtual monopolies, while even these very monopolies have been conducted on a system inconsistent with the possibility of a successful issue.

The manner in which the Khedive has carried on his trade as landowner cannot be too clearly

impressed on all who take an interest in Egyptian affairs. The *corvée* system has flourished in Egypt during the present reign with a severity probably unknown since the days when the Pyramids were built. What the fellaheen complain of is not the system, but its recent development. For eight thousand years works of public utility have been constructed in Egypt by forced labour. The system may be, and I think is, a bad one ; but it is in accordance with the customs of the country ; and undoubtedly, if the fellaheen were called upon to say whether they would sooner contribute their share to the cost of constructing roads or canals in labour or in money, they would choose the former. Nor is there anything inconsistent with Oriental ideas in the private estate of the sovereign being placed in the category of public works which have to be cultivated at the public cost, or, in other words, by unpaid labour. So long as the Khedive's domain, as in the case of his predecessors, consisted of a few thousand acres, there was no grievance, according to Egyptian notions, in his farms being cultivated by *corvées*. The hardship arose when from a country proprietor he became a gigantic trader in land, when his acres were numbered not by thousands but by hundreds of thousands. The

corvée system, as it was known in Europe in former days, bears but a faint resemblance to the system of labour now in force in Egypt. Those who wish to understand how the system is worked in practice have only to consult the narratives of all recent European travellers upon the Nile. We have all read how, whenever labour is required on the Viceroy's estates, orders are sent down to the authorities of a district to send up so many hundreds or thousands of fellahs at a moment's notice. Somehow or other the tale of labourers are collected. They have to travel at their own cost, with their camels, often for hundreds of miles, to their place of destination. There they are kept, working under compulsion by the use of the stick, until such time as their task is finished, or new gangs of impressed labourers are brought up to fill their places. They receive no pay. They have no certainty how long their services may be required. They have no right to insist upon being allowed to go home, even if their task is accomplished. Nor have they any assurance that when they have been dismissed they will be free to stay at home and attend to their own fields.

There is this additional hardship about the *corvée* as now applied in Egypt—that the fellah is

called upon to fulfil his task just when the call falls heaviest on him. In the days of Ismail Pacha's predecessors, the fellah was sure he would not be required to work on roads or canals at sowing or harvest time. It was his ruler's own interest that labour should not be diverted from the land when it was most needed. But of late years the interests of the Khedive as the great landowner of the country have clashed with those of the fellaheen. The viceregal fields need labour at the same time as those of the bondsmen ; and therefore they are liable to be taken away to work for their master at the very moment when absence from home involves the loss of their year's toil. When they are working for the Khedive without pay, they have either to hire labour to till their fields and gather their crops in their absence, or else they have to leave their land to look after itself. The very fact of their absence from home makes labour scarce in their own localities, and as a rule, when a village is subjected to a *corvée*, the lands of the fellahs go to rack and ruin. Indeed, no small portion of the lands which now form part of the Daira have probably been obtained by the indirect operation of the *corvée* system. The fellah, being unable to till his own fields owing to his absence on the

viceregal estates, has been unable to pay the taxes ; and finally he has been thankful to part with his lands in order to relieve himself from the exactions with which he was crushed to the ground. As to the actual amount of labour exacted annually from the present population of Egypt, it is impossible to find any exact data. Common sense shows that as the enormous estates of the Viceroy are tilled, his factories worked, and his various industrial enterprises carried on by *corvée*, the amount of labour which is thus taken away from its legitimate employment must involve a very serious diminution of the producing power of the country. But the indirect effect of the system is even more disastrous than its direct influence. Every fellah throughout the length and breadth of the land knows that he may be taken from his work at any moment, and see the fruit of his toil wasted. The consequence is that there is no incitement for industry beyond that required to provide for dear life, no encouragement to embark capital in experiments, no inducement to do anything with money earned except to hide it out of sight and out of knowledge. For want of security the culture of the land, which is the one staple trade of Egypt, cannot make the progress which it ought to do.

Ruinous as this *corvée* system is to the labourer, it does not even benefit the Khedive. I have shown how inadequate the return from the viceregal estates is ; and this inadequacy is due in no small degree to the wretched character of the labour employed on his estates. That unpaid labour is always unprofitable is a maxim of political economy. The one idea of the fellah under the *corvée* is naturally to do as little as he possibly can, consistently with avoiding punishment ; and no taskmaster can make men work with a will who have no heart in their work, no possible motive for care or energy. The work done under the stick is systematically scamped. To say that the fellah will only work when he is driven like a beast of burden is a simple absurdity. After the *corvée* system was put down in the construction of the Suez Canal—thanks to the efforts of Egypt's most eminent statesman—the company found that by paying the fellahs fair wages they got the work done at a cheaper rate in the long run than when they had labour supplied for nothing under compulsion.

Another burden, which is scarcely less onerous to the fellaheen than that caused by the *corvées* imposed for the culture of the viceregal estates, is

the system of demanding payment for taxes in advance. However heavy the imposts might be, the peasant farmer would have some chance of making a livelihood if he knew that he would only be called upon to pay at fixed and stated periods. In former reigns the taxes were always collected after the wheat and maize or cotton harvests. Nowadays, the fellah is constantly summoned to pay his taxes six months in advance of the time when the wheat harvest is gathered in, and when he could meet the demand with ease. He has no money laid by to meet the call ; his crops are still under the ground. The orders of the government are imperative ; the local officials have no choice except to provide by hook or by crook the sum required of the district ; and the peasant is compelled to find the money under pain of forfeiting his land. He is therefore obliged to have recourse to money-lenders ; and as the rate of interest paid for such advances is from six to eight per cent. a month, the loan is ruinous. For instance, a peasant who had to borrow two pounds to pay his taxes six months in advance would have to pay some fifteen shillings for the accommodation. When the wheat harvest was gathered in, he would in all likelihood be called upon to pay in advance once more,

in anticipation of his cotton crop. The loan would have to be renewed at increased interest ; and yet such is the marvellous fertility of the soil, that as a rule the original loan and interest are repaid in the end. But the net result is that, without any advantage to himself or any profit to the government, the peasant has had to pay, in addition to his taxes, a bonus of some 75 per cent. of their amount. A greater waste of productive power, a more profitless tax on labour, cannot well be conceived. Indeed, given the conditions of the fellah's existence, the system of demanding payment of taxes in advance is so manifestly detrimental to the country, that it would never be resorted to, except under circumstances of extreme necessity, by any ruler whose interests, however selfish his motives might be, were identical with those of his subjects. The radical misfortune of the present *régime* is that the Khedive, as a farmer and trader in agricultural produce on a colossal scale, has interests of his own, independent of, if not inconsistent with, those of the people over whom he rules. The complication of the Khedive's position as autocratic ruler with his position as land-owner, trader, and speculator may be said to be *fons et origo mali* in respect of almost all the exceptional

burdens with which Egypt has been crushed throughout his reign.

Thus the first thing needful is to stop this anomaly of the despotic ruler of an industrial country being also the monopoliser of its principal industry. So long as this anomaly continues to exist, fresh abuses must arise. Now there is no necessity for any revolutionary cure in order to cauterise the cancer which is undermining the vitality of Egypt as it is. The past cannot be undone. The *quod fieri non debet factum valet* applies to the case in point. Whatever may be the origin of his proprietorship, the Khedive is now the legal owner of one-fifth of the cultivable soil of Egypt; and he could not be violently dispossessed of his lands as a proprietor without a violation of his independence. But there is absolutely no reason in the nature of things why the Khedive should not give up the impracticable attempt to cultivate his own lands on his own account, and reinstate the fellahs who have parted with their lands, not as proprietors, but as tenants. It would be easy to prove to the Khedive that his lands, let out to farmers to cultivate for themselves at a fixed rental, would bring in a far larger profit to himself as well as to the country, while the change would obviate

the ruinous necessity of cultivating the viceregal estates by forced labour, to the detriment not only of those estates, but of the whole agricultural industry of Egypt.

There is, or at any rate there need be, no difficulty about bringing home the force of these obvious economic truths to the perception of the Egyptian government. The controllers of the debt appointed under the Goschen and Joubert scheme would be only discharging their proper functions in impressing on His Highness the damage inflicted on the resources and the productive powers of the country by the vicious system under which the labour of the fellahs is diverted from its normal and legitimate course. The controllership was established not only to see that the moneys set apart for the service of the public debt were duly received and appropriated, but to protect the revenue from abuses and exactions. It might have been, and indeed was, said beforehand that the controllers would have no power to exert their authority. Experience, however, has shown that this is a delusion, and that their authority, however open it may be to theoretical objections, is in reality recognised and admitted. The truth is that the controllers have a

power in their hands whose influence with the Khedive cannot well be overrated. If scandals are brought to their knowledge, they have the means of making these scandals public. Now the dread of publicity is the one practical check on the exercise of arbitrary authority such as that wielded by the Viceroy. Already the presence of these European advisers has put a stop to the reckless system of borrowing under which the extravagant debt of Egypt has been contracted ; and the same influence which has restrained the accumulation of the debt might be exerted, without any change in the relations between the Khedive and his subjects, to prevent the accumulation of land in the hands of one single individual who is also the absolute ruler of the country.

No doubt, the European advisers of the Khedive, whether they are called controllers or ministers, can only lay down certain general principles of administration, and cannot see to their application in individual cases, unless they are to undertake the administration of the country. But this difficulty might be obviated by a reform which would be in accordance with the existing institutions of Egypt. The reform tribunals which owe their origin to the lifelong exertions of Nubar Pacha are now an

established fact. It is true that the competence of these tribunals extends only to cases in which an European is a party to the suit. But, according to the original conception of these courts, their authority was to have extended to suits between the natives themselves and between natives and the government. That this was the intention of their author may be seen from all the correspondence on the subject between Nubar Pacha and the European governments on the subject of the capitulations. Why the scheme was not carried out in its entirety it would be beyond my present scope to discuss. It is enough to say that the courts in question have already commended themselves to public favour not only amongst foreigners, but amongst the natives, and that the extension of their authority to native suitors would be welcomed with general satisfaction. Once give the fellah power of appeal to an independent tribunal, acquainted—as these courts now are—with the customs, traditions, and usages of the country, and he would have a protection against exactions and oppression which would be more valuable to him than any number of edicts or decrees.

Thus, by substituting the free labour of tenants on the viceregal estates for the *corvée* system, by

the due exercise of the functions of the controllers of the debt, and by enlarging the jurisdiction of the reformed tribunals, the administration of Egypt would be placed upon a footing in which the "sound, honest, and economical principles" recommended by Sir Stafford Northcote in his speech on Mr. Cave's mission would have a fair chance of application. And yet there is nothing in any of these reforms which militates with the established institutions of the country, or is inconsistent with the independence of the Viceroy. Of course it may be said that no permanent reform can be effected so long as this independence is left unimpaired. The assertion is plausible enough; but after all, to use a homely proverb, "the proof of the pudding is in the eating," and, considering how much good has been already effected by the introduction of European controllers and tribunals, it is idle to assert that an extension of the same principles cannot be productive of still further good in as far as Egypt herself is concerned.

I do not assert that these reforms, even if successfully carried out, would meet the requirements of England's interests in Egypt. I see no cause to change the opinion I have already expressed in these pages, that England, for her own welfare's

sake, requires a more direct and absolute control over Egypt than she can acquire by co-operating in any system of international supervision. And I repeat again that the plight of the fellahs under the existing system of government is such that they would gladly welcome the imposition of any foreign rule, so long as it was accompanied by a removal of the special and exceptional sufferings which they have undergone since the Khedive conceived the unfortunate idea of making himself the proprietor of the soil of Egypt and farming it directly by forced labour. But if the responsibility of any possible addition to our Empire is deemed too heavy for our strength, if England is unwilling to take the steps required to place her route to India beyond the reach of accident, then it is all the more incumbent on us to use our influence to save Egypt from a vicious system of administration which, if persevered in, must lead to ultimate ruin, and thus give occasion for intervention on the part of other Powers.

For this is a point to be borne in mind, that Egypt is a country which cannot be left to manage or mismanage her own affairs. Though the interest of England in the Delta far exceeds those of all the continental powers, yet France, Italy,

Germany, not to mention Russia, have all interests of their own which they cannot submit to see jeopardised by the perpetuation of the abuses which under the present reign have brought Egypt to the verge of bankruptcy. The force of circumstances is developing more and more the power of the international supervision to which the Khedive is already subjected in reality, if not in name. Now, though this international supervision is an immense improvement upon the uncontrolled license of power hitherto enjoyed by the Viceroy, it is open to very grave objections. There may be wisdom in a multitude of counsellors, but there is never energy of action. The authority of the supervision is and must be weakened by the fact that it is exercised by the representatives of different nations with mutual jealousies and conflicting interests. On the other hand, the stronger the international element becomes in its corporate capacity, the weaker is the absolute power of any one of its component parts. Such a state of things is obviously detrimental to English interests. Our government has protested with reason against any proposal to place the neutrality of the Suez Canal under an international guarantee, on the ground that in the event of war we could not

afford to run the risk of having the Canal closed to our ships. But in order to secure our hold on the Canal our authority must be dominant at Cairo ; and dominant it must cease to be if the international element should obtain a permanent influence in the counsels of the Khedive. At the present moment the Khedive would not be unwilling to exchange the supervision of a junta for that of England ; and in the existing state of Europe no opposition would be offered to our exerting a control over Egypt manifestly justified by our interest and stake in the country. But this exceptional state of things cannot be expected to last much longer.

Under these circumstances those who hold with me that the defence of our Indian Empire is a matter of vital importance to England, and that the command of the Isthmus is essential to that defence, cannot but look with anxiety for some sign that England is prepared to assert her supremacy in Egypt. All we want is a sign, but that sign must be given shortly if it is to be given with success.

THE NUBAR-WILSON MINISTRY.

(APRIL, 1879.)

IN order to understand the true significance of the crisis which occurred in Egypt in the spring of 1879, it is necessary to realise the conditions by which the crisis was preceded, and under which it took place. Having resided at Cairo, with brief intervals, throughout the period embraced between the final formation of the new Ministry by Mr. Rivers Wilson's arrival in Egypt, and its disruption by the dismissal of Nubar Pacha, and having from personal relations been in a position to know more than ordinary residents of what was going on in the world of Egyptian politics, I can perhaps throw some light on a chapter of Anglo-Oriental history which is worth studying, not only from its intrinsic importance, but from its bearing on a number of similar issues, of far greater gravity, with which England, at no distant period, must be called to

deal. I see that in many quarters the crisis is regarded as a proof of the arbitrary and unaccountable caprice which is the characteristic of Eastern despotisms. The assumption is plausible, but erroneous. If my view is correct, the abrupt dismissal of the Prime Minister of the Egyptian Cabinet was a deliberate act, pursued in accordance with a settled policy; a long foreseen move in the game which is being played out between the European Powers on the one hand and the Khedive on the other. How this came to pass it is my object, if possible, to explain.

I am not going to repeat once more the weary tale of the causes which have brought Egypt into her present embarrassments. It is enough for my purpose to say, that with the appointment of the Commission of Inquiry in the spring of 1878, England finally abandoned the attitude of non-intervention in the affairs of Egypt to which she had adhered so pertinaciously, and, as I have long held, so ill-advisedly. It is true that this Commission was in theory established at the instance, and in the name, of the Khedive. But, as a matter of fact, it was forced upon his Highness, sorely against his will, by the direct pressure of the French and English Governments, and was only accepted by

him in virtue of a belief, whether well or ill founded, that the security of his throne would be endangered by continued resistance to their demands. From the date, therefore, when the Commission was appointed, the era of direct European, or, more strictly speaking, Anglo-French, intervention may be said to have commenced. The Commission eventuated in the establishment of the existing Egyptian *régime*. The true character of this *régime*, difficult as it is of explanation in any case, is utterly unintelligible unless we bear in mind the origin of the anomalous investigation to which it owes its existence. To make this clear I must repeat something of what I have already written in the introductory chapter. At the close of 1876, the Khedive, being then apparently on the verge of bankruptcy, concluded an arrangement with his European creditors, as represented by Mr. Goschen and M. Joubert, in accordance with which he consolidated his debts, and pledged himself to pay an annual sum as interest and sinking fund, which, for present purposes, may be stated as being in round numbers seven per cent. upon a capital of a hundred millions. Before, however, twelve months had elapsed, the Khedive alleged that the above arrangement had been concluded on the faith of

erroneous, if not fraudulent, returns; that the country was utterly unable to meet the drain upon its resources caused by the payment of the interest on its debt, and that this debt must be reduced if Egypt was not to be ruined by the burden of taxation. His Highness further proposed that a fresh Commission should be appointed to investigate the resources of Egypt. In itself the request was not, *primâ facie*, an unreasonable one: and it would, under the circumstances of the case, have been acceded to without serious objection, if any confidence had been, or could have been, reposed in the good faith of its author. But after the endless conflicting representations which had been made at various times, on the authority of the Khedive himself, as to the resources and liabilities of Egypt, no such confidence was forthcoming. At the time the proposal for a reduction of the debt interest was thus mooted by his Highness, Nubar Pacha was residing in Paris in exile, and was in close communication with Capitalists in France and England by whom Egyptian securities were largely held. If I am not mistaken, the ex-Minister was the first to advise that no demand for a reduction of interest should be entertained, till steps had been taken to ascertain, independently, not only what the Khedive really

owed, and what he could pay, but how his embarrassments had been brought about. Great distrust of the Egyptian Government (or, more truly speaking, of the Khedive, for up to this time the Khedive and the Egyptian Government were identical) had long been entertained by the European creditors. This distrust assumed a more distinct form after the publication of the preceding article which professed to give an explanation of the true causes that had led to the financial difficulties of Egypt under the personal administration of Ismail Pacha. The importance of this article—as a link in the chain of events I am endeavouring to explain—lay not so much in the attention it excited as in the fact that it was understood, and rightly so, to express the views of Nubar Pacha, that is, of the man who, next to the Khedive himself, was best qualified to know the truth as to the relations between Egypt and the Viceroy. The gist of the article in question was to shew that the Khedive had, during the thirteen years of his reign, possessed himself of one-fifth of the whole cultivated soil of Egypt; that he had established a gigantic monopoly, supported by measures absolutely fatal to the industrial development of the country; and that no settlement of the financial difficulties of

Egypt could be of any permanent value, which failed to overthrow this monopoly, and to destroy the iniquitous system by which it was maintained.

In accordance with, if not in consequence of, these disclosures, a demand was raised to the effect that the inquiry proposed by the Khedive should extend its investigations to the causes which had brought about the embarrassments of Egypt, and should not confine its labours, as the Khedive proposed, to ascertaining the actual capabilities of Egyptian revenue. This demand was vigorously supported by the French Government, at the instance of the *Crédit Foncier* and of other French financial associations which were interested in Egyptian securities. Our own Government hesitated at first about endorsing a proposal hardly consistent with the traditional principle of our State policy, that the interests of individual creditors who have lent money to foreign countries are not matters of public concern. In the end, however, a well-grounded reluctance to allow France to interfere single-handed in the affairs of Egypt, and a perhaps exaggerated estimate of the importance of co-operation with France on the eve of the Congress then expected to assemble, induced our Ministry to forego their original

objections. In consequence, France and England together compelled the Khedive to submit to an inquiry, notwithstanding his protest that an investigation of this kind, if conducted in the manner proposed, was a direct infraction of his sovereign authority. The Commission having been appointed, the Khedive suggested that the intended presidency should devolve upon the Egyptian Commissioner. This suggestion was rejected on the avowed ground that a native nominee of the Khedive would be disposed to stifle disclosures which might be inconvenient to his royal master; and the Khedive, again under pressure, was forced to allow the duty of directing the inquiry to devolve upon Mr. Rivers Wilson, in the absence of the President, M. de Lesseps. The importance of this incident is that it illustrates the true character of the inquiry, which was in fact, though not in name, a court appointed to place the Viceroy upon his trial.

Theory, however, and facts did not correspond together. Nominally the Commission of Inquiry was an investigation undertaken at the wish and by the authority of the Khedive, to provide certain information for the benefit of his creditors. Its *raison d'être* was to ascertain how far Egypt could continue to pay the present rate of interest on her

debt; and if not, what amount she could reasonably afford to contribute. The inquiry into the system under which this debt had been incurred was only of a subsidiary character. This distinction between the two branches of the inquiry must not be lost sight of, as it forms the key to the whole existing situation. The Commission met in the March of last year, and forthwith set to work to ascertain the causes which had led to the sudden and gigantic indebtedness of Egypt during the present reign. It was found that the disclosures contained in the article to which reference has been made, were substantially, if not literally, correct. It was elicited, on indisputable evidence, that since 1864 the Khedive had, under his own name or that of his family, become the owner of one million of acres out of the five millions that constitute the land under cultivation in Egypt; that this colossal estate had been farmed by forced labour exacted in the most oppressive and ruinous manner; that the interests of the population had been wilfully and deliberately sacrificed to the individual advantage of the Khedive, as the owner of a gigantic monopoly obtained in the main by aid of the loans he had contracted abroad; and that this monopoly had been so miserably administered as to result in a

loss not only to the country at large, but to the Khedive himself.

At a very early stage of the inquiry it became manifest that the Commission would report the charges brought against the Khedive to be substantially proved. Before, however, the Commission was in a position to make any definite report, an incident occurred which has a remarkable bearing upon subsequent events. The half-yearly coupon on the Unified Debt, which is the Egyptian stock chiefly held in France, falls due in May. During the early months of the year the receipts of the treasury had been suspiciously small, and, shortly before the date when the coupon became due, the Khedive announced that it would be impossible to pay the interest in full. The effect of any default made at such a time would have been to cause a heavy depreciation in the Unified Stock, and would therefore have been greatly detrimental to the interests of the *Crédit Foncier*, which had some £6,000,000 locked up in this security. For reasons into which I need not enter, the Government of the French Republic espoused the interests of the *Crédit Foncier* as being matters of national concern, and intimated to the Khedive that the interest on the Unified Debt must be provided for. I am not

concerned now with the equity of this action, though I admit there was more to be said in its favour than might be thought at first sight ; I am simply narrating what occurred. If I am rightly informed, the Khedive was given to understand that persistence in his alleged inability to provide the coupon would lead to decisive steps on the part of France, though I am by no means sure that the exact nature of these steps was explicitly indicated. Upon this, his Highness asked for advice from England as to the course he should pursue. Our Consul-General at Cairo was, I believe, personally of opinion that the payment of the coupon ought not to be insisted upon in the interest of Egypt. But his opinion was overruled from home. The Congress was at last about to meet at Berlin. For the success of our policy the support of France was deemed all-important ; and in order to secure this support it was thought essential to avoid any conflict with the action of the French Foreign Office in Egypt. Such, at least, is the only plausible explanation of the attitude adopted by our Government on the coupon question. Our consul at Cairo was instructed to impress upon his Highness the importance of making no default in his payments while the Commission of Inquiry was conducting

its investigations. Upon finding that France and England were prepared to act together, the Khedive, as usual, gave way at once. The impossible was accomplished. Whether the funds required to make good the deficiency were provided by putting the screw once more upon the long-suffering fellahs, or by a loan contracted under the form of a fictitious sale of produce, or by advances from the private hoards of the Viceroy, has never yet been clearly ascertained. All that can be said is, that somehow or other the funds were found, and the coupon paid.

The result of this enforced payment of the May coupon, however objectionable on other grounds, was to impress the Khedive with a conviction that the era of non-intervention was at an end, and that he could only hope to retain his throne by very large concessions. After sitting for four months, the Commission found themselves justified in coming to the conclusion, that no real reform could be effected in the finances of Egypt so long as the Khedive remained in possession of the vast estates which he had acquired. It was therefore intimated to his Highness that he must surrender his private estates to the public treasury. No demand could have been more unwelcome ; and for some time it was

met with a point-blank refusal. As soon, however, as the Khedive saw reason to believe that unless he gave way the Commissioners would return home, and would report to their respective Governments that their mission had been rendered nugatory by his action, he yielded the point at issue. His submission was doubtless accelerated by the fact that his uncle Halim Pacha, residing in exile at Constantinople, had put himself forward as a candidate for the throne, and that his son and heir, Prince Teufik, had anticipated his decision by offering to give up the estates settled on the heir-apparent. But, though these ominous incidents shook the Khedive in his determination, it was only when direct pressure was applied from abroad that he agreed to surrender the monster estates he had accumulated with such patience and at such a cost. The surrender was doubtless made with the hope that it might be cancelled hereafter. But, be this as it may, the Daira lands, amounting to little short of a million of acres, were given over to the State, or, more truly speaking, to its creditors ; and with this act the second of the two investigations which the Commission of Inquiry had been appointed to conduct was brought to a successful close.

The first and chief object, however, of the inquiry still remained unfulfilled. According to the theory of its mandate, the Commission having now ascertained, and remedied, the fundamental causes to which the financial embarrassment of Egypt was due, should have proceeded by rights to examine what amount the country could afford to pay annually in respect of its debts without detriment to its own personal interests and to those of its creditors. But at this juncture the course of the inquiry was suddenly interrupted by one of the strangest acts of statecraft which have ever been known even in Oriental history. The Commission may be fairly said to have owed its existence to Nubar Pacha and its success to Mr. Rivers Wilson. If there were two men in the world whom the Khedive might reasonably regard as the direct authors of the policy by which he had been forced to disgorge the accumulations of a lifetime, those men were Nubar Pacha and Mr. Rivers Wilson. It was not in human nature for his Highness not to resent bitterly the sacrifice thus imposed ; and the peculiarities of his character caused him to feel the loss of his estates with exceptional acuteness. It would be a mistake to ascribe Ismail Pacha's greed of land simply and solely to a passion for adding

acre to acre. His heart was set not only on increasing his rent-roll, but on extending the area of his personal administration. The restless activity, as well as the intense acquisitiveness, of his nature found satisfaction in the gigantic speculations in which his position as the owner of a huge land monopoly enabled him to embark. To manage his estates himself, to have everything under his own hand, to be master everywhere, was his ambition and his occupation.

Indeed, the ill success which attended all the Khedive's industrial speculations was due in no small degree to his blind desire to manage everything for himself, to his invincible repugnance to delegating any portion of his authority even to his own subordinates. Thus, when the Khedive was bidden to give up his estates, he was asked to surrender not only his fortune, but the occupation and gratification of his existence. By the enforced surrender he was wounded cruelly alike in his pocket and his pride ; and yet his first instinct was apparently to follow the Gospel precept, and having been smitten on one cheek, to turn the other to the smiter. Nubar Pacha and Mr. Rivers Wilson were, as I have said, the men whom the Khedive had most cause to hold responsible for his humiliation ;

and yet it was to them that he turned in the crisis of his fortunes. Nubar Pacha was recalled from exile, and requested to form a Ministry, in which the portfolio of Finance was to be entrusted to Mr. Rivers Wilson ; and at the same time a proclamation was issued announcing that from this time forward the old system of arbitrary rule was at an end, and that Egypt was to be governed by responsible Ministers on European principles.

It would take me too long to dwell at all fully on the negotiations which attended the formation of the new Ministry. The overtures made by the Khedive to Nubar Pacha were favourably received ; and after paying a visit to London, and to Kissingen, where Prince Bismark was then staying, the Minister returned to Egypt. I have been told by one who was in close relations with the Cairene Court at the time, that the Khedive's anxiety for the arrival of the exiled Minister was like that of a young man awaiting the coming of his affianced bride. He was perpetually telegraphing to learn what day Nubar would arrive, and seemed to be in a fever of impatience at any delay in his progress homewards. What representations were exchanged between the Viceroy and the Minister, or what engagements, if any, were entered

into between them, is only known to themselves. But I think there is little difficulty in realising the ends and aims which the Khedive had in view when he threw himself into the arms of the Minister whose active mind and intellectual ascendancy he had long bitterly resented, and whom he regarded as the main author of his undoing. In the first place, it was all-important to his Highness to suspend the progress of the Commission of Inquiry. If the Commissioners had gone on with their work, had brought publicly to light the full truth as to the origin and character of the Khedive's liabilities, and had then ascertained officially what the country had paid as taxes in the past and what it could pay in the future, they must infallibly have reported in favour of some arrangement by which the Khedive would have been reduced to the position of the owner of an estate in liquidation and restricted to an allowance provided by his creditors. To avert, or at any rate postpone, this consummation was the object of the Khedive's policy; and the best, if not the only, way to effect this object was to place the government in the hands of the very men who had been the leading spirits of the inquiry, and thus to induce a belief that any further prosecution of this inquiry had become unnecessary.

The nomination of Nubar Pacha was intended to be taken—and was taken—by the European public as a guarantee that the old system of arbitrary personal rule had been definitely abandoned, and this conviction being once created, the Governments of Europe, as well as the financial interests which they represented, were much less disposed to push matters to extremities than they would have been otherwise. Thus the immediate result of the Khedive's sudden and ostentatious abdication of authority was to gain a reprieve ; and in his then position a reprieve was morally, if not literally, a matter of life and death. I believe also—though here I quite admit I am entering on the domain of conjecture—that his Highness had a still deeper motive in selecting Nubar Pacha as the head of his new government. According to his notion, if my supposition is right, Nubar Pacha was to prove a sort of Egyptian Balaam the son of Peor, who being sent to curse would remain to bless. In other words, he relied on Nubar's assistance to render nugatory the guarantee which he was prepared to give. Such a calculation was not in itself inadmissible. If once the *entente cordiale* between France and England in Egyptian affairs could be broken up, the danger of any joint intervention

would be at an end, and the Khedive could recover his freedom of action. From his long experience, his intimate acquaintance with foreign affairs, his great diplomatic ability, and his high reputation abroad, Nubar Pacha was eminently qualified to carry out with success the traditional policy of Egypt—to play off one foreign Power against the other, and to take advantage of international jealousies, conflicting interests, and rival ambitions, in order to paralyse any common action on the part of the European Powers. With the close of the war England had lost her opportunity of settling the Egyptian question by herself and for herself; and the danger to be most dreaded was the continuance of the good understanding between France and England. The Khedive, with a very slight alteration, might choose for his device the motto of Belgium, reading it, *La désunion fait la force*. To stimulate this disunion no better instrument could be found than Nubar Pacha, and it is not strange to anybody who knows the two men that his Highness should have believed he could induce Nubar to act as his instrument.

Whatever his other failings might be, Ismail Pacha possessed a singular insight into the weak side of human nature. No man understood better

how to work upon the flaws which are to be found in even the strongest characters. His mistake, in common with most experts in the art of appealing to the lower instincts of humanity, was that he failed to realize the existence in others of qualities in which he himself is wanting. From the Khedive's point of view, Nubar's interest lay in identifying himself with his own cause. It was notorious that Nubar was weary of his long exile; that he had been wearing his heart out, not only at his enforced absence from his home, but still more at his compulsory condemnation to inactivity; and that, quite apart from any consideration of dignity or emolument, the mere exercise of power had a singular attraction for that active and teeming brain. It was therefore intercedently probable that the dread of being once more placed upon the shelf would render Nubar Pacha reluctant to encounter the Khedive's hostility. Moreover, it was no unreasonable assumption that the very independence of his character might easily be manipulated, so as to render him amenable to the Khedive's influence. The same impatience of control, the same dislike of interference, the same determination not to be thwarted in the execution of his policy, which had led in no small degree to his original rupture with

the Khedive, might, it was thought, be relied upon to make him the opponent of the system of international supervision which was about to be introduced. In order to shake off the control of the Consuls, and of his European colleagues, the Premier, it was thought, would soon find it for his advantage to play into the hands of the Khedive.

Some such calculation as the above lay, I am convinced, at the bottom of the Khedive's resolution to recall to power a statesman to whom he had the strongest personal antipathy. At the very outset, however, circumstances occurred which materially modified the conditions upon which this calculation was based. According to the original idea of the Khedive, the new Ministry was to have been of the old Egyptian type, with the exception that the department of Finance was to be entrusted to an Englishman. It was on this basis that Nubar Pacha and Mr. Rivers Wilson responded favourably in the first instance to the overtures made to them by the Khedive. The definite formation, however, of the Ministry was delayed for some months, owing to an incident which complicated the whole question. Mr. Rivers Wilson, being most naturally and reasonably reluctant to relinquish his position as Controller of the National Debt in England for

a very uncertain and arduous post abroad, refused to take office under the Khedive, unless he was allowed at the same time not to vacate his Controllershship. This demand was undoubtedly an unusual one, but the circumstances under which it was made were unusual also, and our Government decided—and, as I think, most rightly—to grant Mr. Rivers Wilson the prolonged leave of absence on which he insisted. I am revealing no secret in saying that the permission thus accorded was only given after considerable hesitation, and was not due in the remotest degree to the initiative of our Government. Still, the fact remained that a British official of very high standing was allowed, contrary to all the traditions of our public service, to undertake a leading post abroad under a foreign Government while still retaining his appointment at home. It is not to be wondered at if this fact was regarded on the Continent, and especially in France, as being proof of an elaborate intrigue on the part of England to establish her supremacy in Egypt. In my former articles on this subject I have given reasons for my belief that the French, as a nation, were in 1877 perfectly prepared to acquiesce in the annexation of Egypt by England without entertaining any serious or widespread

resentment towards us on account of our action ; and subsequent events have confirmed my original conviction. But this assumption of mine, whether correct or incorrect, is perfectly consistent with the admission that Mr. Rivers Wilson's appointment to the Chancellorship of the Egyptian Exchequer gave grave umbrage to public opinion in France. Our Government had deliberately gone out of their way to assure the French Ministry that England entertained no idea whatever of establishing her ascendancy in Egypt to the detriment of France. Notwithstanding these explicit assurances, which to French apprehension appeared inconsistent with the traditional interests of Great Britain, England now seemed about to effect by occult and indirect means the very end she had repudiated all intention of effecting openly and directly. France was apparently about to be left out in the cold in Egypt, as she had been in the Levant ; and this rebuff, coming immediately after the subordinate part her diplomacy had been compelled to pay at Berlin, excited considerable irritation across the Channel. This irritation was made the most of by the opponents of the Government, who lost no opportunity of pointing out how insignificant France was deemed abroad under the Republic ;

and M. Waddington, who, in virtue of his English name, parentage, and education, was compelled to be more French than a genuine Frenchman, took up the matter very warmly. A formal demand therefore was addressed to the Egyptian Government from Paris to the effect that, in order to counter-balance the weight given to England in the administration of Egypt by Mr. Rivers Wilson's appointment, a prominent position in the Nubar Ministry must be entrusted to a Frenchman, nominated by the French Government, and invested with an authority at least as great as that of his English colleague. From a French point of view, this demand was not altogether unreasonable. But its acceptance was utterly inconsistent with the idea — entertained alike, though with different objects, by the Khedive and Nubar Pacha — that the native element was still to retain the foremost place in the administration of Egypt. In consequence the demand for the appointment of a French Minister met with the most decided opposition at Cairo, and would never have been acceded to, except under absolute compulsion, if it had not been for the financial embarrassments of Egypt. It so happened, however, that, in order to meet pressing liabilities and to consolidate the floating debt, whose

burden paralysed all attempts to reorganise the finances, the Egyptian Government found it absolutely necessary to raise a fresh loan. This loan was negotiated through the agency of the new Chancellor of the Egyptian Exchequer. But the great Anglo-French banking firm by whom the loan was advanced stipulated, as a condition of their acting in the matter at all, that the approval of the French Government should be forthcoming. Such a stipulation made at such a moment was imperative. After much discussion, an arrangement was concluded, by which the French and English Governments agreed to sanction the suspension of the system of international control over the finances of Egypt, established two years before by the Goschen-Joubert settlement. This sanction, however, was only given under a distinct engagement, on the part of the Egyptian Government, that the Ministries of Finance and Public Works were to be filled respectively by Mr. Rivers Wilson and M. de Blignières, who had represented England and France on the Commission of Inquiry; that these European Ministers were not to be dismissed by the Khédive, except after consultation with their own Governments; and that in the event of their dismissal the authority of the suspended

control of the National Debt was to revive of itself.

Upon these conditions the Nubar Ministry came into being at last. The Khedive, in announcing his intended reforms to the consular body, laid especial stress upon the fact—if fact it was—that henceforth Egypt, by virtue of her new institutions, had passed into the domain of Europe from that of Africa; and that for the future personal rule was to be replaced by the authority of responsible Ministers. What the precise meaning of this statement might be, nobody yet has been able to explain.* The Khedive is still in principle the absolute master of the country over which he reigns. His Ministers are in theory appointed and dismissed at his own great will and pleasure, and his subjects have not the power, even if they had the will, to interfere in any way with his freedom of appointment or dismissal. Nor in any intelligible sense of the word ‘responsibility’ can these Ministers be called responsible, except in as far as they have to answer for their acts to the Khedive. They do not even recognise any direct allegiance

* This article, I should state, was written during the brief interval which intervened between the enforced resignation of Nubar Pacha and the dismissal of the Anglo - French Ministry.

to foreign Powers. In a confused sort of way there is a general understanding that they are to administer the affairs of Egypt in accordance with European ideas of government. But towards whom this obligation was ever contracted, and by what agency its performance is to be enforced, are questions to which it is impossible to furnish an answer.

To add to this conflict of authority, while the Prime Minister is liable to be dismissed whenever the autocratic ruler of the State sees fit to dispense with his services, his two principal colleagues hold their offices under a tenure which can only be upset with the knowledge and sanction of two independent foreign Governments. What, then, is the constitution of Egypt as at present established? It is not an autocracy, for the autocrat cannot even dismiss his own Ministers without the permission of foreign Powers. It is not a democracy, for the people have absolutely no voice in the selection of their rulers, or the administration of their own affairs. It is not a constitutional monarchy, for there is not a constitution or a Parliament. It is not an oligarchy, for there is no aristocracy of any kind in the country. The nearest approach to a definition I can suggest is to say that Egypt is

administered by a mixed Board, some of whose members are directly amenable to the authority of the Khedive, and others are practically responsible to foreign Governments, while all are under the general supervision of the creditors of the State.

It would be difficult, if not impossible, to devise a system which offered greater anomalies in theory. Still anomalous systems sometimes work well in practice; and the Board, under which Egypt was placed, got on better than could reasonably have been expected. The delay caused by the negotiations between Paris and Cairo was unfortunate at the outset. It was in June that Nubar Pacha accepted the duty of forming a Ministry. It was only in the very last days of November that the Ministry was placed in a position to commence its work in earnest by the final arrival of Mr. Rivers Wilson in Egypt as Chancellor of the Exchequer. This delay was due to causes over which the Ministry had no control, but it was none the less unfortunate. On the one hand, the population of Egypt, seeing months go by without any practical change in the administration of affairs, began to lose faith in the reality of the new reforms; on the other, the Khedive, finding that the seizure of his estates had not been followed up

by the action he had cause to fear, began to recover his courage, to regret the precipitancy with which he had yielded, and to look about for means of recovering the authority he had lost. During this interval, too, if I am not mistaken, the Khedive discovered that Nubar Pacha was not disposed to aid him in throwing off the European Protectorate to which he had virtually been subjected. If Ismail Pacha had been out of the way, the Premier would possibly have been ready enough to assist in any effort to realise the avowed aim of his own policy, which has always been to preserve Egypt to the Egyptians. But according to the view he expressed in season and out of season, no fate would be so disastrous for Egypt as the re-establishment of the personal rule of the Khedive. This fate, in his way of thinking, could only be averted by upholding the European intervention ; and therefore, contrary to the hopes that the Khedive had built upon Nubar Pacha's ambition and impatience of control, the Minister turned a deaf ear to the overtures of co-operation which were undoubtedly made to him from the Court.

Such was the state of things when Mr. Rivers Wilson and M. de Blignières arrived in Egypt, and the work of reorganisation was commenced in

earnest. Up to this time nothing had been done, or could have been done ; and in estimating the merits or demerits of the Nubar-Wilson administration, it is only fair to remember how very short-lived it was. The Ministry did not begin its functions till after the Baïram holidays, that is, about the end of the first week in December ; and it was broken up by violence in the middle of February. Thus the experiment was allowed only about ten weeks in which to justify its existence. Mr. Rivers Wilson and M. de Blignières were practically new to their work. Without any knowledge of the language, or any intimate acquaintance with the customs and habits of the country, they had to organise their offices, to arrange the machinery of their departments, and to impress upon their subordinates the *modus operandi* they desired to introduce. Besides this, they and their Egyptian colleagues had, if I may use the word, to shake down together, before it was possible for them to work any useful result. Under these circumstances, even if everything else had been favourable, if they had received cordial and loyal support from without as well as from within, if they had only had to contend with the difficulties inseparable from the introduction of an European administration into an Oriental country,

they could hardly have made much way in their work by the time at which it was interrupted. As it was, not only did events fight against the progress of the Nubar Ministry, but these events were deliberately assisted and created by outward agency.

Let me speak first of the obstacles which were the results of accident, not of design. It had been hoped that the Rothschild loan would have provided for all the immediate necessities of the treasury, and have given the Ministers a breathing-time, during which they would have been able to ascertain the exact condition of the revenue, and to reorganise the administration at their leisure. This hope was unfortunately not realised. Without going into details, it is enough for my purpose to say that the holders of the floating debt in Alexandria endeavoured to secure payment of their claims in full by obtaining judgment against the Government in the international tribunals, and then proceeding to sequester properties which had been mortgaged as security for the Rothschild loan. In consequence, the payment of the instalments due from the loan were suspended till an arrangement could be concluded with the local creditors of the Government, and the treasury was deprived of the funds on

which it had counted. The result was, that the action of the Government was perpetually hampered, thwarted, and even arrested by the want of what I may call the petty cash of administration. The difficulty might be, and was, temporary; but its effects were permanent. Creditors were put off; promises not fulfilled; reasonable offers of compromise refused; reductions made precipitately; salaries left unpaid, simply and solely because the treasury was empty. Any amount of ill-will and discontent was thus created by causes for which the new Government was assuredly not responsible, but of which it bore the odium. Meanwhile the permanent revenue of the country fell off in a sudden and unaccountable manner. Egypt, according to the arrangement then in force, had to pay between seven and eight millions a year as interest to her foreign creditors. In order, therefore, to meet her liabilities, before a penny is available for the home expenditure, the returns to the treasury had to average about £650,000 a month. Owing to the economical conditions of the country, this revenue comes in very unequally; and the period during which the Nubar Ministry started on its career was that of the financial slack tide. But making every allowance for this fact, for the

temporary scarcity caused by the overflow of the Nile, and for the delays in collection arising out of the change of government, the monthly returns were meagre beyond all explanation. The effect of this falling off in the revenue was disastrous. It depreciated the value of Egyptian securities, alarmed the creditors of the State, and furnished an excuse for the various interests hostile to the new order of things to throw discredit upon the efforts of the new Government to introduce an honest and efficient administration. Moreover, this state of affairs precipitated the consideration of a question which in the interest of Europe it was most desirable to postpone for a season. The essential question, on which the future of the country hinges, is how far it can afford permanently to pay the enormous charge laid upon its resources in order to provide the interest due on the debts contracted by the Khedive. Now, according to their original programme, this question would have been left in abeyance till the Ministry had had time and opportunity to complete for themselves the work which the Commission of Inquiry had left unfinished, and to ascertain on evidence—whose trustworthiness would commend itself to the good sense of the European public—how much or how

little Egypt could afford to pay in liquidation of her liabilities. Owing, however, to the causes to which I have referred, the question was forced prematurely upon public notice before the Ministers were, or could be, in a position to deal with it comprehensively or satisfactorily.

Again, there were other difficulties of a personal character with which the Ministry had to contend, and whose nature it is not very easy to explain without indiscretion. To any one who knows Cairo, or indeed any Eastern Court in which the European element is largely represented, the general nature of these difficulties will be obvious enough. It is sufficient to say that national jealousies, consular susceptibilities, mercantile interests, the grievances of displaced officials, social vanities, and personal friendships and animosities, all combined to create an inevitable reaction against the new *régime*. It is no business of mine to defend the proceedings of the Ministry ; and I think it possible they might, by greater prudence and patience, have avoided some part of the resentment they undoubtedly incurred. But this much I can safely affirm from my own observation, namely, that the main cause of their unpopularity was their desire to do their duty, to reform abuses, and

to substitute law and order for individual caprice and extravagance.

Then, too, it was not in human nature that the Ministers should work at first in perfect harmony. Nubar Pacha, Mr. Rivers Wilson, and M. de Blignières, were all men of marked character, of strong individuality, and high position, and alien to each other in race, language, education, interests, and aims. They were practically independent of each other, responsible to different Powers, and co-equal in authority. Judging by antecedent probability, one would have said beforehand that three such men placed in such positions would be certain to fall out with each other. What renders the fact that they did not so fall out all the more remarkable is, that constant attempts were made from without to breed distrust and ill-feeling between them.

I have described the various difficulties which I have enumerated as being due to the action of natural causes. Yet nobody who knows Egypt can doubt that these causes were stimulated by the initiative of the Khedive. I do not affirm that the judgment creditors were instigated to exert their legal powers, or the tax-collectors encouraged to curtail their remittances to the treasury, by the

direct action of the Khedive, though in a country, every detail of whose administration had, up to the other day, been under his absolute control, no step of importance could well be taken without his acquiescence and sanction. But there is no disguising the fact, that his Highness set himself deliberately at work from the beginning to impede the success of the reforms whose introduction he had proclaimed with such a flourish of trumpets. The recall of Nubar and the appointment of a responsible Ministry had averted the danger with which he was threatened by the prosecution of the inquiry ; and as these concessions had served their purpose, it was his policy to get rid of them as soon as might be. Supposing my impression to be correct, things would have followed a different course, if, as the Khedive originally hoped, Nubar had proved able and willing to assist him in securing his independence. But when this combination was found to be out of the question, the Viceroy determined to turn Nubar out of office. The Khedive had strong cards in his hands, and nobody knew better how to play a waiting game. The Pachas and the Turkish officials, who had hitherto monopolised almost every important post in the Egyptian administration, held Nubar

personally in detestation as a Christian and an Armenian, and still more because he had set his face against the system of favouritism, oppression, and corruption under which they had enriched themselves at the cost of the native Egyptians. The diplomatic body resident in Cairo was always unfavourable to Nubar, partly by reason of his independence of character, which rendered him less pleasant to have relations with than a Minister of the ordinary Oriental type, partly because one of the great objects of his policy was to curtail the consular jurisdiction, and thereby to deprive the consuls of some portion of the personal authority to which, in common with all subordinate authorities, on a petty stage, they attach exaggerated value. Then, too, Nubar was viewed with disfavour by the French party in Egypt, which regarded him, though without justice, as devoted to English interests, and which also resented bitterly certain contemptuous remarks with regard to France, which the Premier was reported, whether truly or not, to have uttered in conversation.

At the outset, the Khedive withdrew himself ostentatiously from all participation in public affairs. He took every opportunity of declaring that he was now a constitutional sovereign, that he

left everything to his Ministers, that his sole duty consisted in countersigning their decrees, and that he was only too delighted to be relieved of all responsibility. Every application or request addressed to him was referred forthwith to the Ministry. All applicants were informed officially that he had no power or authority to deal with their affairs, and that they must not hold him accountable for any measures the Government might adopt. At the same time persons in the confidence of the Viceroy went about saying publicly that the present system was only a provisional arrangement, and that before long the Khedive would resume his personal rule. The effect of this language was to strengthen the distrust which was popularly felt as to the duration of the new *régime*. The natives saw that the Khedive had still all the outward symbols of sovereignty : the very conception of a constitutional monarchy was unintelligible to their minds ; and their natural conviction that the Effendina, as the Viceroy was called, must—so long as he was not deposed—be the real lord and master, was confirmed by the utterances to which I have alluded, and which were made in quarters where they were sure to be repeated. Thus an impression gained ground that it was safer and

wiser to side with the Khedive than with the Ministers of the day, and this impression could not fail to produce a disheartening effect amidst a population so timid and so down-trodden by ages of servitude as that of Egypt.

Meanwhile no effort was spared to create dissension between the Premier and his European colleagues. Compliments were studiously paid to one Minister in a way that could not but be offensive to another; distorted reports were conveyed to and fro of remarks made, or alleged to have been made, which were calculated to shake the confidence of the Ministers in their mutual good faith; and insinuations were current that each Minister was pursuing his own interests to the detriment of his colleagues. These tactics undoubtedly succeeded in creating temporary differences of opinion between the leading Ministers; but they failed in upsetting their good understanding for any length of time. Nubar Pacha, Mr. Rivers Wilson, and M. de Blignières were too loyal and too honourable to be led astray by personal susceptibilities; and even if this had not been so, they were too sensible not to see that they were mutually indispensable to each other. Without the support of his French and English colleagues,

the Premier could not hope to hold his place ; without the practical experience and ability of the latter, the former could not carry out in practice the ideas upon which their programme was based. The three Ministers were all alive to this truth, and therefore the triple alliance remained unbroken.

The attempt to break down the Ministry by internal dissensions having failed, it was necessary to resort to more direct measures. There was no time to be lost, for the new government was beginning to get its authority recognised. The truth is—a truth which cannot be too strongly borne in mind—that, notwithstanding all the defects of its origin, all the difficulties of its position, and all the opposition, both designed and undesigned, which it had to surmount, the Nubar-Wilson administration had made real progress during the few weeks of its existence. Mr. Rivers Wilson had set to work with a determination which, if continued, was certain ultimately to insure success. With the able assistance of Mr. Fitzgerald, whose report on the system under which the revenue had been hitherto collected must form the basis of any effective administrative reform in Egypt, the Minister of Finance had laid the groundwork for a thorough

land survey, and for the assessment of the tax-payers on a principle which would preclude any gross oppression or favouritism. He had visited the provinces in person, and had impressed upon the native officials that their interest as well as their duty lay henceforward in discharging their functions justly and equitably. He had given orders for the compulsory seizure and sale of the lands of a class of defaulting tax-payers, who, under the name of *hauts personages*, had hitherto avoided the payment of their taxes; he had endeavoured to enforce the liability of foreign residents to contribute towards the expenses of the State, though his efforts in this direction had been retarded by the opposition of the consuls; and, what was more important than all, he had succeeded in securing the punishment and dismissal of several officials who had been detected in flagrant abuses of their authority. All this had been done in the midst of harassing daily cares caused by the pecuniary pressure to which I have referred. Meanwhile, Nubar Pacha had elaborated a scheme for extending the authority of the international tribunals to suits between natives, and to cases in which government officials were implicated. It would be foreign to my present purpose to dwell on the details of this scheme.

All I can say is, that Nubar had set himself to solve the difficult problem of reconciling the independence and impartiality of an European code administered by foreign judges with the simplicity of procedure and the latitude of pleading required to render our system of legality a boon, instead of a curse, to an Oriental population. This solution, in the opinion of independent judges of high authority, was, I may state, a very remarkable one; and if ever Western justice is introduced into the East, the principle of this now abortive project will, I believe, be adopted as its basis. Owing to the emptiness of the treasury, M. de Blignières, as Minister of Public Works, had had but little opportunity of developing his department; but he had shown a determination to put a stop to the jobbery and corruption which had hitherto characterised the conduct of almost all public undertakings in Egypt.

The time had come for the Khedive to abandon the pretence of indifference he had hitherto assumed. He now came forward in the character of a champion of his people against the oppression of their foreign creditors. Of a sudden an agitation was set on foot against the burden of taxation to which the country was subjected. Though the

sums exacted from the tax-payers—or at any rate returned as exacted—were smaller than they had been for years past, the fellahs, who had never complained before, became suddenly clamorous for a reduction of their imposts. Deputations came up to Cairo ; inspired articles appeared in the native prints, declaring that foreigners were eating up the country, and inveighing against the salaries paid to the European Ministers ; crowds were allowed or encouraged to mob the Ministries ; and the Khedive began to press upon the Government the paramount necessity of forthwith satisfying claims which he was perfectly well aware the treasury was not in a position to satisfy at the moment. He also gave publicity to his opinion that an immediate reduction of the debt was essential for the salvation of the country. The ground was thus prepared for the blow which was to arrest the work of the Nubar Ministry.

It is hard to say how far a demonstration of disbanded officers was deliberately devised as a plea, or seized upon as an excuse, for insisting upon Nubar's retirement. I incline strongly to the former opinion. But, at all events, the disturbance was of no very grave significance, as it was sup-

pressed without difficulty and without the loss of a single life. Yet the moment the riot was at an end, the Khedive declared that Nubar must leave the Ministry, and that he himself must in future preside over its councils. On the *Ille fecit cui prodest* principle there can be little doubt who was the real author of this stage insurrection. At any rate, the *émeute* was the Khedive's opportunity. Nubar was called upon to resign. For the reasons I have alluded to, the demand was acceptable to many powerful interests both in and out of Egypt, which on other points would have been opposed to any revival of the Khedive's power. Indeed, the only persons who really stood by the Prime Minister were his European colleagues, and their staunch efforts to have him reinstated in office were frustrated at the last moment by the reluctance of France to insist upon Nubar's return, and by the desire of England to act in harmony with her ally.

The Khedive has undoubtedly won the first move in the campaign he has undertaken to restore his personal rule. Nubar is gone ; and already his Highness has demanded the retirement of Riaz Pacha, the Minister of the Interior, on the plea that

his presence is inconsistent with the preservation of public tranquillity. If Riaz goes, the European Ministers will be left without the aid of a single native colleague on whose experience and good faith they can rely for assistance. Little foresight is required to perceive that, if the Khedive is allowed to play out the game, Mr. Rivers Wilson's removal will be the next point at which he will aim. The first steps have been taken. Since the downfall of Nubar, the old system of making sudden demands for the payment of taxes in advance, of enforcing compliance by flogging, and of compelling the fellahs to work without wages on the Vice-regal estates, has been set on foot once more; and the natives are given to understand that these exactions are committed at the instance and by the orders of Mr. Rivers Wilson, in order to satisfy the rapacity of the foreign creditors. If these tactics succeed, the natives will soon learn to attribute their sufferings to the English *Moffettish*; an outcry will be raised for his dismissal; and the Khedive will avail himself of this outcry to get rid of the Minister whom he has such cause to fear. The success of this intrigue would obviously be greatly facilitated if the good understanding between the English and French Ministers could ever be broken

up ; and it is clear that the removal of Nubar Pacha, who was wont in familiar conversation to describe himself as the buffer between the representatives of the two Powers, increases the probabilities of such a misunderstanding being brought to pass.

Thus for the moment, the situation in Cairo wears a most unpromising aspect. Yet, paradoxical as the statement may seem, I regard the crisis which has just commenced as full of hope for the fortunes of Egypt. I hold this opinion because I am confident the Khedive's campaign must result in his eventual defeat. My faith is grounded on the fact that the struggle on which the Khedive has entered is not one between himself and Mr. Rivers Wilson, or M. de Blignières, but between Egypt and Europe, between the East and the West. To such a struggle, fought under such conditions, there can only be one ending, whatever may be the vicissitudes of the contest. All experience has shown that if once European Powers obtain a footing in an Oriental country, they eventually become the masters of the situation. England and France, especially the former, have now got a firm hold on Egypt, and the causes which have led to this hold being obtained will secure its retention. Moreover,

the Khedive has no power behind him to fall back upon, no support, either in the affection of his people or the identity of his interests with theirs, on which he can rely. There is no country in the world in which dynasties have been, or can be, changed so easily as in Egypt; and of all the dynasties which have tyrannised over the land of the Pharaohs there has been none which has taken so little root in the soil as that of the Turkish Pachas, of whom Ismail is the present representative. The fight, as I have said, is a losing one. Individual Ministers may be got rid of, but England and France remain; and the Khedive, from the bent of his character, is not the man to fight out a losing battle.

If the Khedive, indeed, could have waited till England and France were at loggerheads on some European question, then he might have played his cards with some chance of success. But the necessities of his position have compelled him to act while the *entente cordiale* remains unbroken. The question, therefore, of the position of the Khedive under the new order of things is likely to be settled while the two great Western Powers are still of one mind in respect of Egypt; and if this question is once settled, Egypt passes definitely under a

European Protectorate, from which there is no prospect of her escaping, even though the composition of that Protectorate may easily be modified by the course of future events.

THE ANGLO-FRENCH PROTECTORATE.

(FEBRUARY, 1880.)

THE more you get to know Egypt, the more, so it seems to me, you become impressed with the continuity of its history. After all, the Egypt of to-day is the Egypt of the Pharaohs, just as in their days it had changed but little from the Egypt of the Shepherd Kings. Dynasties may succeed each other : empires may rise and fall : one race of conquerors may be expelled by a new tide of invaders ; but the Nile flows on for ever ; and the flooded lands give forth their produce year by year, tilled by the same subject race toiling in the same fashion. What has been in the past will be in the future. Like causes must produce like results : and there is no reason, one can see, why scores of centuries hence, when our times have become as remote as those of Sesostris, Egypt should not still remain

much as we know her now, a country whose history stretches back into the dim infancy of the world. Should this conception be realised, it is no fanciful assumption that in the far-away hereafter the Champollions of the future may out of obscure records, indited in forgotten languages, endeavour to reconstruct the history of Egypt during the era when the family of Mehemet Ali reigned over the valley of the Nile. Of the various problems as to the attributes, characteristics, and relations of the different Pharaonic dynasties which now-a-days perplex the brains of Egyptologists, few, I think, can be so difficult of solution as any attempt will prove on the part of their remote successors to define the status, nature, and reason of being of the Government established in Egypt upon the deposition of Ismail Pacha.

Very little light would be thrown upon the elucidation of this problem by the perusal of our Blue Books and State papers, even supposing them to be still accessible. Nor would any great information be obtained from contemporary writings. The new *régime* which has been established, or, to speak more correctly, is in the process of establishment, in Egypt, has excited very little attention abroad. Yet within the last few months a new

chapter has been commenced in Egyptian history, a chapter whose subsequent pages must—unless the experience of Egypt should prove contrary to that of all other Oriental countries—record the ultimate establishment of European rule over the length and breadth of the country. We are, in fact, witnessing the inauguration of a direct European Protectorate over Egypt; and as the part England has played in the establishment of the new system of administration is very important now, and is likely to be far more important in the future, it is worth while for Englishmen to understand what we have done and are doing in Egypt.

When I wrote the preceding paper, the downfall of the Wilson-De Blignières Ministry was imminent. No special foresight was required to prognosticate the coming collapse. The truth is, the corner-stone of the Anglo-French Ministry was knocked out with the dismissal of Nubar Pacha; and the two Governments practically consented to abandon the experiment when they agreed not to insist upon the reinstatement of the deposed Prime Minister. This consent no doubt was given under a misapprehension. Neither Lord Salisbury nor M. Waddington intended to surrender the control over the administration of Egypt afforded by the fact that

the two chief posts in the Ministry were occupied by nominees of their respective Governments. They were, however, led to believe that the Khedive was willing to acquiesce cordially in the tutelage exercised by Mr. Wilson and M. de Blignières, if only he could be relieved from the presence of Nubar Pacha, who was obnoxious to him on personal grounds. In consequence, the two Powers contented themselves with placing formally on record the conditions on which they were prepared to allow the Khedive to exercise the right of dismissing his own Minister. In an official note addressed to the Khedive, England and France insisted that henceforward their representatives in the Ministry must have a distinct right of joint veto on any measures of which they might disapprove, and that the Khedive himself must not be permitted to be present at the Ministerial councils. It was impossible to lay down more clearly, in so far as phrases were concerned, the absolute ascendancy over the administration of Egypt which England and France considered themselves entitled to claim. The Khedive acquiesced without a protest in the conditions imposed upon him, and shortsighted observers jumped to the conclusion that the attempt of Ismail Pacha to assert his independence

by the dismissal of Nubar Pacha had ended in the virtual abdication of his authority into the hands of his English and French Ministers. This was the view taken by Mr. Vivian, our Consul-General in Egypt, and impressed by him upon our Foreign Office. Unfortunately, Orientals attach little value to words which are not accompanied by acts ; and Ismail Pacha was in this respect a type of the Turkish official. The Khedive saw clearly that the Powers had shrunk from any practical step to vindicate their ascendancy, which, as he was well aware, had been imperilled by the dismissal of Nubar Pacha, and had contented themselves with a verbal protest. The natural inference was, that what he had done already he could do again, and that any further attempts to recover his independence would entail no greater penalty than a diplomatic reprimand. In this belief his Highness was confirmed by an unfortunate incident : I allude to the presence of Mr. Vivian in Cairo. I am anxious to say as little as may be in disparagement of a gentleman with whom my personal relations have always been of a friendly and pleasant character ; and I also admit most fully that Mr. Vivian—in common, for that matter, with almost every other actor in the Egyptian imbroglio which ended with

the deposition of Ismail Pacha—has never had the opportunity of laying his own case before the public. I cannot, however, give anything approaching to a true narrative of the course of recent events in Egypt without alluding to Mr. Vivian's action as the representative of England, an action which, from my point of view, was mistaken and mischievous. Now, it so happened that our Consul-General disapproved, with or without reason, of Nubar Pacha's policy, and used his influence to persuade his own Government to acquiesce in Nubar's dismissal by the Khedive. This view of Mr. Vivian's found no favour with the ex-Minister's European colleagues. They were convinced—and, as the event proved, they were right in their conviction—that Nubar's summary dismissal imperilled their own tenure of power, and they held that in the interest of the Anglo-French administration Nubar's reinstatement should have been insisted upon by the Governments of London and Paris. This antagonism of opinion between the English Consul and the English Finance Minister at Cairo was matter of notoriety in Egypt. It was known, too, that this divergence of view had unfortunately assumed an almost personal character. When, therefore, shortly after the acceptance of the Anglo-

French ultimatum by the Khedive, and the appointment of a reconstituted Ministry under Prince Tewfik as President, Mr. Vivian left Egypt on a sudden journey to London, it was taken for granted that he would be replaced by a consul who would support and not oppose the Anglo-French element in the Egyptian Ministry. Mr. Vivian, on the other hand, was naturally anxious not to quit his post, and finally succeeded in inducing the Foreign Office to sanction his return to Egypt as representative of England. How far social, personal, or official considerations contributed to bring about this result, it is needless to inquire. The ruling desire of our Government with respect to Egypt at this period, as indeed at every subsequent period, was to keep things quiet and to avoid any crisis which might necessitate action or overt intervention on our part. Mr. Vivian contrived, as I believe, to impress our Foreign Office with a belief, in which he himself shared most honestly, that his own personal influence with the Khedive afforded the best guarantee against his Highness taking any step which might bring him into direct antagonism with England. The belief was a complete delusion, but it was one into which a more astute diplomatist than Mr. Vivian might pardonably have fallen. I

have seen enough personally of Ismail Pacha to realise how difficult it was to resist the persuasiveness of his manner. If it was his interest to win your confidence, he set about the work with a skill which almost amounted to genius. You might have the most profound conviction of his duplicity, and yet somehow you left his presence with an impression that he had recognised the folly of trying to deceive you, that he honestly looked upon you as a friend, and that he valued your good opinion and your judgment too highly to forfeit it by any of the intrigues to which he had resorted in dealing with men of less discernment of character and less knowledge of the world than you yourself possessed. There was no vulgar affection of high motives or superior virtue about Ismail Pacha's studied frankness. It was as a man of the world speaking to a man of the world that he appealed to your confidence ; and this appeal was seldom made in vain. At any rate, the Viceroy succeeded in impressing Mr. Vivian with a conviction that they thoroughly understood each other ; and this conviction played a not unimportant part in the drama which ended in the deposition of the Khedive.

It is not my object in these pages to tell the full story of the Egyptian crisis. My aim is to explain

how England has been driven by the force of circumstances to assume a position in Egypt which is tantamount to a Protectorate; and I only allude to the events of the last twelve months to explain the true character of our new position. The bugbear of a so-called 'national party' was raised in order to throw dust into the eyes of Europe. Sham demonstrations and fictitious protests were got up to support the pretence that public opinion in Egypt was hostile to European administrators, and that the Khedive had no choice except to bow to public opinion. Finally, within two months of Ismail Pacha's solemn engagement to allow no measure to be passed without the approval of his Anglo-French Ministers, these Ministers were dismissed contemptuously.

In France the intelligence was received with an outburst of indignation. There was no disguising the fact that, after the note the two Powers had but just addressed to the Khedive, this summary defiance of their authority was almost an insult. The French are more susceptible than we are to diplomatic slights, and the Republic at the present moment is singularly sensitive to any disregard of the dignity of France. Great irritation had already been caused in Paris by a saying attributed to an

Egyptian statesman, that 'la France est un cadavre, sur lequel on peut marcher,' and it was felt that under the Empire Egypt would never have dared to treat a French official with contumely. Moreover, financial interests had and have a political power in Paris which they do not possess in London; and the great French finance establishments, who were large holders of Egyptian securities, viewed with extreme alarm the prospect of the restoration of the old autocratic system, which had brought Egypt to the verge of ruin. Acting under these combined influences, the French Government proposed in conjunction with us to despatch an armed force to Egypt in the event of the Khedive's rejecting an ultimatum calling upon him to reinstate the dismissed Ministers. This proposal met with decided disapproval in London. It was just the moment when our South African difficulties were at the worst. We had no troops to spare for Egypt; and yet to have allowed France to undertake a military occupation single-handed would have been contrary to all the traditions of the better English policy. Again, any direct intervention in Egypt would have given strength to the Opposition cry that the Government was embroiling the country in difficulties all over the world. Moreover, a very

exaggerated estimate was formed in Downing Street of the resistance which the Khedive had either the will or the power to offer. Anyhow, the idea of decided measures was rejected in London ; and the French Government, which under present circumstances is afraid of any action which might expose France unsupported to the risk of European complications, had no choice except to consent to our desire for delay. It was finally resolved that no direct steps should be taken to coerce the Khedive, but that strong despatches should be addressed to him as to the possible consequences of his short-sighted conduct.

This resolution was regarded at Cairo as a virtual confession of weakness. The Khedive became confirmed in his belief that he was secure against any risk of intervention ; and his scepticism as to the possibility of any such contingency was increased by the obvious divergence of view between the two Governments whose displeasure he had incurred. France refused to accept M. de Blignières resignation as final, and ordered him not to quit Egypt. Mr. Wilson, on the other hand, was recalled home, and recalled, too, in a manner calculated, however erroneously, to create an impression that his policy in Egypt was not endorsed by his own Government.

This opportunity, too, was chosen for the return of Mr. Vivian to Cairo. As he was known to be friendly to the Khedive, and to be hostile to the administration which had just been overthrown, the mere fact of his reinstatement outweighed the force of any formal protest he was commissioned to deliver on behalf of our Government.

Whatever may have been the explanation of his confidence, the Khedive, after he had got rid of Mr. Wilson and M. de Blignières, imagined that he was secure against any practical interference on the part of their respective Governments. The clique of Pachas who had supported and assisted him in all his extravagance and extortion was once more restored to power. Nubar and Riaz Pachas were sent into exile. The Fellaheen were subjected to fresh exactions ; money was raised in any way and at any price. Many of the chief foreign officials in the service of the Government, whose presence was in itself a check against flagrant abuses, resigned to avoid dismissal ; and the Khedive had apparently reason to congratulate himself on the complete success of his attempt to emancipate himself from foreign tutelage. He had distinctly defied the authority of England and France, and, in spite of all their warnings as to what would happen to him

in the event of his rejecting their advice, nothing had happened or seemed likely to happen.

No doubt this view of the Khedive's position in the days immediately preceding his fall would be rejected as incorrect by the Foreign Offices of Paris and London. I am perfectly well aware that the two Governments never came to a distinct determination to allow the Khedive to carry out his *coup d'état* with impunity. On the contrary, despatch after despatch was sent to Cairo both by Lord Salisbury and by M. Waddington informing his Highness in diplomatic language that he must not trespass too long on the forbearance of the protecting Powers. I am not saying that these threats would have remained a mere *brutum fulmen*, or that no action would ultimately have been taken even if Germany had not interfered. Of all unprofitable controversies the most profitless is a discussion as to what would have happened if something had not occurred which did occur. All one can say is that the difficulties inseparable from a dual intervention hindered any prompt acceptance on the part of England and France of the challenge thrown down by the Khedive. France would have liked to interfere at once, but England was not prepared for any decisive action. The result was

that the Khedive was emboldened to disregard the warnings duly communicated to him by Mr. Vivian and M. Godeaux on behalf of their respective Governments. His Highness, in consequence, not only replaced Prince Tewfik as Prime Minister by Cherif Pacha, but openly declared his resolution of doing away with all European administrators in deference to the alleged demand of native Egyptian opinion. Finally, he issued a decree by which he proposed to regulate the liabilities of Egypt according to his own free will and pleasure.

These high-handed measures met with no effectual opposition on the part of either England or France. The Porte offered to depose the Khedive of its own authority. But the offer met with no favour at the time. Protests against the illegality of the Khedive's proceedings were duly indited both in London and Paris. But nothing was done to give effect to these remonstrances. Weeks went by, and the virtual triumph of the Khedive seemed assured, when suddenly the German Consul at Cairo received instructions to inform his Highness that his Government considered the decrees of April 22 to be null and void.

How this action came about has never, so far as I know, been clearly ascertained. Germany had a

comparatively insignificant interest in the affairs of Egypt. A very small portion of the floating debt was due to German creditors. It is not easy to believe that Germany ever really contemplated any intervention in Egypt, and it is still less easy to understand how she could practically have intervened even if she had been so minded. But the prestige of Germany—her repute of strength, which is to a nation what credit is to an individual—stood her in good stead. The mere fact that Prince Bismarck had declared the Khedive could not be allowed to play fast and loose with the interests of German subjects produced more effect than all the despatches indited from London and Paris; and from the day when Germany pronounced against the Khedive it was obvious that the end had come. Meanwhile, the initiative taken by Germany had a result which might easily have been foreseen, and which doubtless was foreseen by those, whoever they may have been, who suggested to Prince Bismarck the advisability of his coming forward as the champion of the Egyptian creditors. It was felt at once in Paris that the time for vacillation had passed. The Republic could not allow it to be said that France was unable or unwilling to protect the interests of her subjects in Egypt

while the insignificant interests of the German creditors were safeguarded by the mere expression of Prince Bismarck's will ; and the English Government recognized, on the one hand, that France could not be held back any longer, and on the other that we could not allow Germany to take into her own hands the forcible solution of the Egyptian question. We might hesitate about the expediency of " belling the cat " at all, but if it was to be belled, the belling must be done by us. Some time before, as I have said, the Porte had offered to depose the Khedive if such a course of action would be agreeable to the English and French Governments. This offer was now accepted.

The moment the Governments of England and France made up their minds to depose the Khedive through the agency of the Porte, the whole phantasmagoria of national party, Egyptian nationality, popular rising on behalf of the native Sovereign, appeal to arms, resistance to the death, and so forth, vanished into thin air. Somehow, whenever I think of Ismail Pacha's collapse, I am irresistibly reminded of Sam Slick's story of the coon, who, when he saw the famous Colonel taking aim, called out, ".Don't trouble yourself to fire, Colonel ; I may as well come down at once." Never did any prince

"come down" so readily as the Khedive, when he once saw that his assailants were in earnest. The reason why he showed no fight throws a valuable light on our relations with Egypt. It would be a mistake to attribute Ismail Pacha's collapse to lack of personal courage. I should doubt his possessing any exceptional physical bravery, but he had to a remarkable degree the gambler's instinct and the gambler's boldness. He was not the man to forfeit his stakes while there was a chance, however remote, of holding on to his winnings. He threw up the game simply and solely because he knew better than any one else that he had absolutely no cards in his hand. In our sense of the word nation, there can hardly be said to be an Egyptian nationality. The population of Egypt has little more in common with the Turkish Pachas by whom it is ruled than it has with the European residents settled in the country. The Fellaheen are the easiest people in the world to govern. They and their fathers before them have been so ground down by one set of taskmasters after another that the possibility of resisting the orders of their ruler, be he who he may, hardly enters their minds. But exactly for the same reason they cannot be relied upon to make any effort whatever to defend one

taskmaster against another. Thus the Government of Egypt was in reality a Court without a nation ; and with this Court the authority of the Sultan was greater than that of the Khedive. No doubt Ismail Pacha was justly unpopular with the Egyptians on account of his oppressions and exactions. But if he had been the best and most beloved of rulers, not a hand would have been raised by his people to protect him from attack. A flock of sheep are easy to drive, and may possibly prefer one shepherd to another, but they will not take part in any conflict as to who is to drive and fleece them.

If the Porte could have had its own way, Halim Pacha would probably have been substituted for Prince Tewfik on the deposition of the reigning Viceroy. But the Porte in this matter was only an agent, not a principal. The reasons why Turkey took upon herself the duty of deposing the Khedive were, I think, of a complicated character. In the first place, though the Porte was sublimely indifferent to the maladministration of Egypt, yet its statesmen were alive to the discredit brought upon all Ottoman financial arrangements by the attitude of the Khedive ; in the second place, the Porte conceived that by volunteering to extricate France

and England from an awkward dilemma it might place those Powers under an obligation, and thereby induce them to favour a fresh loan ; and, finally, the Porte was well aware that to depose the Khedive itself was the only way to maintain its suzerainty over Egypt. The Sultan and his Ministers saw that, after the action of Germany, France and England had no choice except to depose the Viceroy. If they did this themselves, the nominal authority of the Porte over Egypt was at an end ; and as Turkey was powerless to hinder the Western Powers from doing what they thought fit, the best course for her was to make a merit of necessity, and take upon herself the task of deposition.

When once it was known at Cairo that the Porte had determined to bring the Khedive's reign to an end, all idea of resistance was abandoned. The one thought of everybody, Ismail Pacha included, was to make the best bargain possible under the circumstances ; and here ensued a sort of play at cross-purposes which was not devoid of an element of humour. England and France were anxious Ismail Pacha should obviate the actual intervention of the Porte by abdicating of his own free will in favour of his son, Prince Tewfik. The Porte was in alarm lest Ismail should forestall its

action by resigning the crown of his own accord ; and the Khedive himself was in dire perplexity as to whether he could make better terms for himself by a voluntary abdication or by forcible deposition. There seems to be little doubt that he had finally decided in favour of the former alternative, but that while he was standing out for the guarantee of a large civil list, the Porte got the start, and decreed his deposition. The play was played out ; and the Khedive had been out - finessed by the Sultan. Of the many mortifications of his closing years, I suspect this last was not the least. It is only fair to say here, where I have had occasion to say much to Ismail Pacha's disfavour, that when the end came he bore himself not unworthily, nor without dignity. Though a capricious and exacting, he was not an unkindly master, and amongst his own *entourage*, his family, the women of his harem, and his slaves, there was very genuine, if not altogether disinterested, sorrow expressed and felt at his downfall. The resident European community, to whom he had always been friendly, and who had partaken freely of his lavish hospitality, stood by him in his disgrace, and his departure into exile was accompanied by sincere expressions of regret on the part of the Court circle and the

European colony, but without one solitary manifestation of sympathy on the part of the Egyptian population.

The true significance of the act by which Ismail Pacha had been dethroned was not fully appreciated at once out of Egypt, owing to the fact that it was performed in the name of the Porte. Indeed, at the time, exception was taken to the deposition by some English critics, who seriously argued that we had replaced Egypt under the rule of Turkey. No such delusion was entertained in the East. There everybody knew that the Khedive had been deposed simply and solely by the will of England and France; that the real if not the avowed cause of his deposition was his refusal to submit to the authority of the two Governments; and that it was by their orders that Prince Tewfik and not Prince Halim had been placed upon the vice-regal throne. In other words, England and France had, it was felt, assumed a complete protectorate over Egypt. It was upon them, in consequence, that the duty devolved of deciding how Egypt should be administered in future. Once again, the vacillation which has characterised all our policy with respect to Egypt hindered us from reaping the full advantages of our position. As the Khedive had been as a

matter of fact deposed, because he had dismissed the Anglo - French Ministry without our consent, the obvious and straightforward course would have been to insist upon the dismissed Ministers being reinstated in office. This was the course recommended by the French Government. Our own Government, however, demurred. Parliament was sitting: the Opposition were certain to make capital out of the cry that when we had troubles enough upon our hands, the Government were taking upon themselves the administration of Egypt: and the instinct of the Ministry was to avoid any act which could bring home clearly to the public the extent of the responsibility we had assumed. Let me say here that in this attempt to explain the policy pursued towards Egypt, I do not profess to write with any official information. I know what was done. Why it was done, I can only conjecture. But having been in close and constant communication with several of the principal actors in the Egyptian drama, my conjecture is, I may fairly say, not evolved solely or mainly out of my own consciousness. My information, then, leads me to believe that upon the accession of Tewfik Pacha it was the wish of our Ministry to interfere as little as possible with the reorganisation of the Egyptian

Government. To leave the new ruler to himself, under the belief that the fate of his predecessor would suffice to convince him of the necessity of studying the interests of the protecting Powers, was the policy which found favour with our Foreign Office, and it was one, I admit freely, which had much to recommend it. Our partner, however, in the Protectorate was not of the same opinion. M. Waddington insisted that M. de Blignières must be virtually reinstated. In speaking on the subject in conversation about this time, M. Waddington remarked to an Englishman: "Your Government must think I am very short-sighted if they imagine that I am going to surrender the vantage-ground we have gained in Egypt. The great achievement of my diplomacy has been the acquiring for France in Egypt the influence on the administration of the country to which she is justly entitled, and that influence I am not going to throw away simply because it does not suit the convenience of England to follow out our common policy." Such, I have reason to believe, was the purport of M. Waddington's language, both officially and unofficially. At all events, he stood out for the retention of M. de Blignières' services.

The result was, as must always be the case

under a dual Protectorate, that a compromise was agreed upon through the adoption of a medium course, of which neither partner altogether approved. It was settled that England and France should not insist upon the reinstatement of the Anglo-French Ministry, but that they should insist upon the acceptance by the Khedive of irremovable Anglo-French Controllers, M. de Blignières being the nominee of France. The young Viceroy, with whom the late Minister of Public Works had not ingratiated himself, protested strongly against his selection for the post of Controller. But the French Government remained firm, and Tewfik Pacha had to give way. Major Baring, who had previously filled the post of English Commissioner of the Public Debt with great ability, was appointed by our Government as M. de Blignières' colleague. The appointment was unexceptionable in itself; but the fact remained that of the two Anglo-French Ministers, who had followed identically the same policy, and had been dismissed under identically the same circumstances, the French Minister was reinstated in defiance of the wishes of the Egyptian Government: the English was shelved in compliance with those wishes. Such a fact could not fail to impress the Egyptian mind with the

conviction that France was more to be feared than England: and in the East fear and respect are one and the same thing.

It would have been far better if the Controllers had proceeded at once to discharge their functions. Unfortunately, their return to Egypt was delayed by causes to which I shall presently allude, and a sort of interregnum ensued. It is too early as yet to predict with any certainty what character the new Khedive may ultimately develope. But we may say, without any flattery, that so far he has given strong evidence of an honest desire to rule justly and loyally. In all Oriental countries, an heir-apparent has necessarily to efface himself, and, indeed, one of the many curses of the Harem system is that there is and can be no real confidence between fathers and sons. Moreover, the suspicious character of Ismail Pacha's mind rendered the position of the Crown Prince exceptionally difficult. So long, therefore, as his father reigned, Tewfik Pacha gave little indication of any marked individuality. Unlike his brothers, he had hardly ever quitted Egypt; he had been brought up under native influences, and what education he had acquired had been chiefly self-imparted. Suddenly this young Prince was called from enforced retirement to

become the reigning sovereign of Egypt. He has accepted the position as a serious trust, not as an opportunity for self-indulgence or display. He has worked very hard, shown an extreme desire to acquire information, has led a singularly quiet and simple life, has put down extravagance as far as it lay within his own power to do so, and has displayed an apparently genuine desire to avoid the errors of his father, and to promote the good of the country. I doubt, however, whether, as time goes on, Tewfik will prove as ready to accept the advice of his Ministers and Controllers as he has proved hitherto. He is, if I mistake not, feeling his way. The new Khedive is a strict though not a fanatical Moslem; and he has no personal liking for the European *entourage* with which Ismail Pacha loved to surround himself. If circumstances should allow free scope to the development of his character as a ruling Prince, Tewfik Pacha will, I think, be found to have a will, a policy, and ideas of his own. But whether any such development will be allowed is still a very open question.

At the outset, however, of his career as Khedive, Tewfik Pacha was not in a position to make his personal influence felt. For some time after his accession, he had little means of ascertaining what

his true status was to be. He could hardly tell whether he was intended by the Powers who had placed him upon the throne to be a dependent of the Porte, or the docile instrument of England or France, or a mere *locum tenens* destined to be thrown aside as soon as his father had come to an arrangement with his creditors. It was some time before the reality of Ismail Pacha's fall was recognised in Egypt. The deposed Prince, whatever his other faults, had played so great a part—had so completely filled the Egyptian stage—that his countrymen, and his own kinsmen above all, found it difficult to believe that while he lived he could cease to be the Effendina, the Lord and Master. Apart from this general sentiment, in which he fully shared, Prince Tewfik was aware that his father was engaged in active intrigues at Constantinople to obtain permission to reside in Egypt. So long as there seemed a possibility that these intrigues might be crowned with success, Tewfik's tenure of the throne was insecure, and his dominant idea in the early days of his reign was to do nothing which might cut him off from the possibility of a reconciliation with the ex-Khedive in the event of his recovering the throne.

Under these circumstances Tewfik retained

Cherif Pacha as his Prime Minister, and allowed the administration of the country to remain in the hands of the Turkish Pachas who had been his father's chief partisans and adherents. The result was that things went on for a time in much the same way as before, and that the deposition of the ex-Khedive effected little or no immediate alteration in the internal condition of Egypt. This result is to be regretted, as it tended to obscure the significance of this act of State justice in popular apprehension, and threw doubt on the ability of the protecting Powers to carry through the policy they were supposed to have adopted. However, though it would have been better if Prince Tewfik upon his accession had entrusted the Administration either to Nubar or Riaz Pacha, in contradistinction to Cherif, or some statesman who was identified in popular appreciation with the new order of things, no serious harm was done. The course of events soon showed that after what had come and gone it was impossible for the protecting Powers to pursue any longer a policy of non-intervention; and a scheme was devised between Paris and London for the future administration of Egypt. It was settled, as I have already stated, that two Controllers should be appointed. It was further agreed that a

Commission of Liquidation should be called into being to effect an arrangement between Egypt and her creditors. As an almost necessary corollary of those arrangements, it was agreed at the instance of the French Government that Mr. Vivian should not return to his post, but should be replaced by some one who was willing to co-operate more cordially with the European Controllers. Mr. Malet, one of the most eminent of the younger generation of our diplomatists, was sent to Cairo. So far, I may add, Mr. Malet's conduct of very difficult negotiations has fully justified the wisdom of his selection.

In the East acts count for much more than words; and the recall of M. Tricou, the French Consul, and the removal of his colleague, Mr. Vivian, who had both been partisans of the Turkish party, did more than all the despatches which had been written to convince Tewfik Pacha that with his father's deposition it was not only an individual but a system which had been overthrown. Cherif Pacha was dismissed, and Riaz Pacha, the ex-Minister of the Interior under the Wilson-De Blignières administration, was placed in his stead. The more obvious course under the circumstances would have been to recall Nubar, the one statesman

of European repute whom Egypt possessed, and the man who had done most, directly as well as indirectly, to free Egypt from the incubus of the late Khedive. But many considerations militated against Nubar's return to power. As an Armenian and a Christian, he was singularly obnoxious to the Turkish *entourage* of the Palace. Tewfik Pacha himself probably inherited something of the mixed sentiment of dislike and fear with which his father had regarded the Egyptian Minister who had made himself a world-wide reputation. And the Alexandrian community were from various reasons unfavourable to Nubar's marked individuality. But all these considerations would have been of little weight, if the English and French Governments had been desirous of Nubar's restoration to power. They felt, however—perhaps not altogether without reason—that their new system, by which they were to direct the administration of Egypt through the agency of native Ministers placed under the supervision of the Anglo-French Controllers, would be more likely to succeed if the Egyptian Premier were a man of less individual and independent authority than Nubar possessed. Indeed, this sentiment was so strongly entertained at Paris that Nubar's return from exile was retarded for

many months on the demand of the French Foreign Office. No greater proof could be afforded of the extent to which our dual Protectorate over Egypt has been carried than the fact that the period at which Nubar should be allowed to return to reside on his own property in his own country was settled, not at Cairo by the Khedive, but at Paris by M. Waddington.

Moreover, Riaz's qualifications for the post he was called to fill were positive as well as negative. A native-born Egyptian, he had risen to eminence in the public service by his ability and industry, and had acquired a well-deserved reputation for integrity and good faith. As an orthodox though liberal Mahometan, he was viewed with less disfavour than Nubar by the Turkish party, while his intimate knowledge of the people, his kindliness of disposition, and his manifest desire to promote the public good, made him acceptable to the native population. He had travelled a good deal abroad, and had brought back with him from his recent exile in Europe a strong conviction that the only safety for Egypt lay in complying with the policy of the Powers who had assumed the protection of her interests.

Thus the appointment of Riaz Pacha to the

presidency of the new native Ministry facilitated the control which England and France intended to exercise over Egyptian affairs. The Controllers did not return to their posts till the new Ministry had been for some months in office. In their absence nothing could be done. It was understood that no definite or permanent arrangement of any kind should be made till after their arrival; and therefore during the interregnum which ensued everything that could be adjourned was put off, as little was done as possible, and the new system of administration was in consequence discredited to some degree, both at home and abroad, by the delays, embarrassments, and complications inseparable from a prolonged period of suspended action. Happily, the unusual bountifulness of the harvest restored prosperity to Egypt. For the first time since the accession of Ismail Pacha, the Fellaheen were not harassed or coerced for payment of taxes in advance. Thus at the very moment that the marvellous plenty of the crop was yielding exceptional returns to the tiller of the soil, the proceeds were allowed to accumulate in his hands. The remissness in the collection of taxes tended no doubt to aggravate the financial difficulties of the Egyptian Treasury. But it gave the country a

sort of breathing-time which had long been needed. Any one who has resided in Egypt during the last few months could not fail to be struck by the anomaly that while the country was literally overflowing with wealth, the State was approaching the lowest stage of financial embarrassment. This anomaly, however, was rather apparent than real. The cause of the immediate difficulties of Egypt was the existence of a floating debt which there were no funds forthcoming to meet. A landowner with an estate which, after all the mortgages are paid, yields him ten thousand a year would be solvent even if he owed a year's income. But if this ten thousand pounds of debt consisted of any number of claims the owners of which were clamouring for payment ; if all his available cash was locked up ; and if he was unable to raise any further mortgage on his estates, he might, though fully able to meet his liabilities in time, yet be in a state of extreme embarrassment. This was very much the plight of Egypt last summer. The floating debt which had been created by Ismail Pacha in defiance of his plighted word had long been an incubus on the revenues of Egypt. When Mr. Wilson undertook the Ministership of Finance his first step was to raise a loan through Messrs.

Rothschild for the purpose of paying off the unfunded debt. This loan was secured, or supposed to be secured, upon the estates ceded by the Khedive and his family to the State. It turned out, however, that, according to Egyptian law, a mortgage could not be legally effected on these estates without a precise description of their locality and dimensions. In a country where no cadastre existed, the work of specifying the area and situation of nearly a million acres necessarily occupied a long time ; and thus, though the Khedivial estates were ceded to the State early in November, it was not till the beginning of February that they could formally be assigned to Messrs. Rothschild by a duly registered mortgage. In the interval a number of creditors, who had obtained judgments against the State in the International Courts, attached certain portions of the ceded domain for amounts the total of which was nearer two millions than one. The Egyptian Government disputed the validity of these attachments, on the ground that the Khedive had surrendered his estates to the State for the explicit purpose of paying off the floating debt, and that the loan had been granted on the understanding that by the act of cession the estates were handed over to the issuers of the

loan. This contention was admitted by the Court of First Instance in Egypt, but was rejected on appeal to the Supreme Court. This court, under the direction of S. Lapenna, the distinguished jurist, who then presided over the International tribunals, decided that the moment the Khedive's private lands were ceded to the State they became public property, and could be sequestered by any judgment creditor as security for his debt. There was also reason to doubt, according to the judgment of the court—though this point was never clearly determined—whether the mortgage in favour of the Rothschild loan could be considered to have priority over the claims of other creditors, whose debts had been contracted previous to the issue of the loan, but who had not obtained judgment. Under these circumstances, Messrs. Rothschild refused to pay over the balance of the loan, amounting to about £4,000,000, till the validity of their mortgage had been established beyond the possibility of doubt. The default in this anticipated payment upset all the financial arrangements of the Anglo-French Ministry, and contributed in no small degree to their downfall. The first object, therefore, of the Controllers, was to obtain a settlement of this legal difficulty, so as to enter into possession of the funds

required to meet the overdue engagements of the Government.

It was so clearly and manifestly the interest of Egypt that the funds borrowed for the purpose of relieving the State from pressing liabilities should be devoted to this object, and not diverted to the profit of individual creditors, that in any other civilised country in the world the *Salus Reipublicæ* doctrine would have been held to justify the overriding of the strict letter of the law. But the relations between the State and the law courts in Egypt are such as are without a parallel elsewhere. In Egypt, as in every other part of the Ottoman Empire, the Capitulations had given jurisdiction over all suits in which Europeans were involved to the Consular Courts of their respective countries. These Capitulations, which were created as a protection to foreigners when the Christian was weak and the Turk was strong, had been converted into an agency of oppression against the natives as the Christian had become strong and the Turk weak. Under the consular jurisdiction, especially as administered by the representatives of the minor Powers, there was neither law nor justice in Egypt. The great achievement of Nubar Pacha as Prime Minister was his success in inducing the European

Powers to surrender—or, more correctly speaking, to suspend—this anomalous jurisdiction. England supported Nubar Pacha actively in his efforts for this purpose; and in 1876 the Powers agreed to substitute for their separate courts a system of International tribunals, the judges in which were nominated by them. The reform has, on the whole, worked admirably, and the International Courts, in which justice is administered promptly, fairly, and economically, form the basis of the prosperity and development of Egypt. There is, however, one grave objection to their practical working, the existence of which was not foreseen at the time of their formation. The tribunals are bound to execute the law as laid down in a code based almost entirely upon the French law. No agency is provided by which this code can be modified in the slightest particular, no matter how paramount the necessity, without the consent of every one of the Powers represented in the International tribunals. Supposing, for instance, owing to war or famine, or any other calamity, it became necessary, as is done under like circumstances in other countries, to arrest for a time all legal proceedings in respect of Trade debts, the Egyptian Government has absolutely no power to take such a

measure in self-defence, if Holland or Greece or any petty State represented in these tribunals should decline to agree with all the other Powers of Europe in authorising the courts to sanction a *Moratorium*.

Thus, in order to get over the technical difficulty which, with or without reason, had interfered with the legal assignment of the Domain estates to the creditors of the Rothschild loan, it was necessary to obtain the assent of some dozen Powers to a decree rendering this assignment secure beyond the possibility of further dispute.

The task of obtaining this assent was undertaken by the Controllers. It was not an easy task. The jealousy with which the Anglo-French Protectorate over Egypt was naturally regarded by the other Mediterranean Powers caused them to view with disfavour any proposal which was calculated to facilitate its operation. Austria and Italy took the lead in the opposition to the policy of the Controllers; and though their interests in Egypt are insignificant compared with those of the Western Powers, their right of refusing to hear of any modification in the International code made them practically masters of the situation. If it had not been for the active exertions of the French and

English Governments, and the immense influence wielded by the great house of Rothschild, the sanction of the malcontent Powers could not have been obtained. It was only with great difficulty that MM. Baring and De Blignières, after a series of protracted negotiations conducted by them personally at Vienna, could obtain a compromise. In virtue of this compromise all the judgment debts, in respect of which portions of the Domain land had been attached prior to the conclusion of the specific mortgage of these lands to the Rothschilds on the 3rd of February, 1879, were to be paid in full out of the unpaid balance of this loan ; but in respect of all other debts, the Rothschild loan was to be considered a first charge upon the Domain lands. Germany and Italy followed in this matter the decision of Austria ; but even after a decree based upon this compromise had been framed and signed at Cairo by the representatives of the Great Powers, its execution had to be delayed for some time longer, because Greece hesitated about conceding her consent to its provisions. The difficulty attending this comparatively simple issue explains the failure of the Controllers in carrying through the more important part of their mission to Vienna. As I have stated, the

appointment of the Controllers was, according to the Anglo-French programme, to be supplemented by the institution of a Commission of Liquidation, of which Mr. Rivers Wilson was to be president, and in which the representatives of England and France were to have the majority of votes. This Commission was, it was understood, to recommend the reduction of the interest on the Unified Debt, the consolidation of the various small loans, the abolition of the Moukabala, the settlement of the outstanding floating debt upon reasonable terms, and a number of minor reforms which are essential to the establishment of any financial equilibrium in Egypt. These recommendations, however, must, as I have already explained, remain mere expressions of opinion, unless they are accepted as binding by the International courts; and the courts could not so accept them without authority from their principals—that is, from the Powers by whom they were called into existence. In order to evade this difficulty England and France proposed that the Powers represented in the International tribunals should agree beforehand to accept the report of the Commission as binding upon the tribunals. This proposal, however, met with point-blank resistance on the part of Austria and Italy. They refused to

submit the interests of their subjects who were creditors of Egypt to the decision of a body in which England and France were supreme, and intimated that their consent to any such arrangement must be conditional on such an introduction of new elements into the Egyptian administration as would convert the Anglo-French Protectorate into an International one. Under these circumstances, the idea of any Commission of Liquidation had to be abandoned, at any rate for the time. It is worth adding that these negotiations, in which Egypt was the chief party interested, were conducted exclusively by the Anglo-French Controllers in Europe, acting under instructions from their own Governments, and almost without communication with the Government of Cairo. I do not dispute the expediency of the mode in which these negotiations were carried through, but if the exercise of such powers does not constitute a Protectorate, I fail to understand the meaning of words.

Simultaneously with the decree regulating the legal status of the Domain lands mortgaged to the Rothschild loan, the Egyptian Government issued a decree defining the position of the Controllers. If ever the correspondence which passed at this period between Cairo, Paris and London should be made

public in its entirety, it will be found that the Khedive and his Ministers did their utmost to modify the stringency of the terms in which the authority accorded to the Controllers is defined, but were baffled by the steadfast resistance of the protecting Powers. The authority finally conceded resembles closely that exercised by the Resident in a protected Native State of British India. The controllers have a right to be present at the Councils of the Ministry, to demand information and offer advice on any matter affecting in any way the financial condition of the country; they are empowered to appoint resident inspectors, who are to report to them, not to the Ministers, and to hold office during their own pleasure; and they are authorised to refer any disregard of their advice to the diplomatic representatives of their two countries. The Controllers themselves are immovable, except with the consent of France and England; though Egypt has still been allowed the privilege of paying their salaries. I do not complain of these powers as excessive. I think the existence of some such European control as that exercised by M. de Blignières and Major Baring is essential to the welfare of Egypt, situated as she is. But, when I am told that the Court and the Pachas, who

compose the national party, prefer the system of Anglo-French Controllers to that of Anglo-French Ministers, as constituting a smaller interference with their independence, I can only say that the Egyptians in this case are far less shrewd than my acquaintance with them has led me to believe. If it is so, Rehoboam was right after all in his theory of Oriental government.

My object is to call attention to the direct and comprehensive character of the Protectorate we have assumed over Egypt in conjunction with France. In common with every one who has at heart the welfare of the Nile land, I am reluctant to say anything which may increase the difficulties inseparable from the task the two Governments have undertaken. But it is obvious that the efficiency of the Protectorate depends absolutely upon the two protecting Powers working cordially together. The result of this dual arrangement has been undoubtedly to give a great increase to French authority and influence in Egypt. From the purchase of the Suez Canal shares up to the date when Ismail Pacha was allowed to dismiss the Anglo-French Ministry with impunity, English influence was paramount in Egypt. Since that period France has got precedence over us in every respect. I

regret this result, not only as an Englishman, but because, from causes into which I need not enter, English influence is on the whole more beneficial than French to the development of Egypt. But I have little to fear as to the ultimate result. The interests of England in Egypt, both political and commercial, are so immeasurably superior to those of France that in the long run England, and not France, must always claim the supremacy. The reason why I allude to this struggle for influence, in which France for the time has obtained the upper hand, is to show one of the permanent difficulties inseparable from any joint Protectorate. Major Baring and M. de Blignières have hitherto worked together with a harmony that does every credit to their good sense and honesty of purpose. The *entent cordiale* between the two Governments of London and Paris has been successfully maintained in Egypt, partly because our interests in other parts of the world have led us to act together, partly because England has in the end always given way to France whenever there was any difference of opinion with respect to Egyptian affairs. But this Anglo-French understanding cannot be expected to last for ever, and whenever it ceases to exist the authority of the joint control falls to the ground.

Italy, Austria, Greece, Russia, and all the Powers who view with ill-will the supremacy we have established over Egypt, are on the look-out for any dissension between England and France which may enable them to overthrow this supremacy; and no native prince, whoever he may be, will be able to resist the temptation of seizing any opportunity to emancipate himself from the unwelcome control of the protecting Powers. Thus, though the experiment of an allied Protectorate has worked well so far, and is perhaps the best that could have been adopted under the circumstances, it is fraught with complications in the future, both in Egypt and elsewhere, which England might have avoided by a bolder and, as I deem, a wiser policy. As it is, we have assumed all the responsibilities of a Protectorate without the power which its direct assumption would have bestowed upon us.

THE COMMISSION OF LIQUIDATION.

(SEPTEMBER, 1880.)

WHETHER the affairs of nations will ever be settled by international tribunals, in the same way as the affairs of individuals are settled by the courts of law, is a question which I personally should answer in the negative. But the school of thinkers who hold that international arbitration is the one remedy for all disputes and difficulties which beset nations in their intercourse with one another, should pay more attention than it has yet received to a very curious experiment in international jurisdiction of which Egypt has just been the scene. My own opinion is, that this experiment owes its success—in so far as it has proved successful—to an exceptional combination of conditions which could not have occurred in any country but Egypt, and is not likely to occur again even there. Whether this be so or not, the story of the

Commission of Liquidation which has recently concluded its labours at Cairo is one full of interest both for those who are concerned in the welfare of Egypt, and for those who attach importance to what, for lack of a better phrase, I may term the system of internationality.

In the foregoing paper I endeavoured to explain the character of the dual protectorate over Egypt established by the Governments of France and England on the initiative of M. Waddington and Lord Salisbury. It is enough for my present purpose to say, that when M. de Blignières and Major Baring entered on their duties as Comptrollers-General of the administration of Egypt, the first difficulty they had to contend with was that of the Floating Debt. This debt differed in character from all the other liabilities of the Egyptian Government. The international courts held that individual creditors of the State, who had lent specific sums for specific purposes, were entitled to obtain judgment against the State in the same manner as against an ordinary debtor, and to seize the property of the State if payment was not made in obedience to the judgment of the courts. Whether this decision was legal or illegal is not a point on which I need enter. Undoubtedly

independent states, as a rule, do not admit the right of a private creditor to seize or sequester public property in discharge of a State debt ; but, on the other hand, no independent State has ever accepted the authority of foreign tribunals as absolutely and irresistibly supreme. By the convention, however, to which the international tribunals owed their existence, Egypt had been placed under the complete and uncontrolled supremacy of the law, as administered and interpreted by the international judges. It was their duty to decide any cases submitted to them in accordance with a written code ; and if they failed to decide correctly, there was no possible appeal from their decision. The whole subject of the Egyptian code is far too wide a one to discuss in passing ; and all I need remark is, that the extraordinary and exceptional powers conferred upon the international courts were not the result of accident, but of a deliberate policy ; and that these courts are regarded in Egypt alike by Europeans and natives as the safeguards of law and order. Advantageous, however, as the supreme jurisdiction of these courts has proved upon the whole, it retarded and obstructed the progress of any financial settlement between the State and its creditors. By the decision to which

I allude all judgment creditors were empowered to attach the property of the State in liquidation of their claim. The actual execution of these seizures was not carried out in most instances. But at the time the Comptrollers-General were appointed, the lands, buildings, and properties of the Egyptian Government were burdened, in addition to their general liabilities, with any number of attachments obtained by private creditors, whose debts, in virtue of the judgments they had secured, were accumulating by compound interest at the legal rate of twelve per cent. per annum.

It was therefore an essential preliminary to any settlement of the financial difficulties which had brought Egypt under the late Khedive to the verge of bankruptcy that individual creditors should be compelled to accept any general arrangement concluded with the whole body of the creditors. This was impossible unless the international courts agreed to accept such a settlement as legally binding; and this, by virtue of their constitution, they had no power to do without express authorisation from the Governments in whose name they exercised their functions. In consequence, the Comptrollers undertook in the first instance to obtain the sanction required. It so happened that Austria

had made herself the special champion of the Floating Debt creditors as distinguished from the bondholders. It was understood that Germany and Italy would in this matter follow the same policy as Austria, and it was to Vienna that the Comptrollers betook themselves in person. The Anglo-French Protectorate, of which these gentlemen were the representatives, was and is viewed with extreme disfavour by the other European Powers, especially by those which, like Austria and Italy, have interests of their own in Egypt. Austria, as the spokesman of these Powers, insisted that any financial settlement, which she could consent to acknowledge as possessing legal validity, must be arrived at not by an understanding between the Governments of London, Paris, and Cairo, but by an International Commission, in which the other Powers would be directly represented. This demand was unacceptable in itself to France and England. Still, unwelcome as the demand was, it had to be accepted. As England and France had avoided any direct assertion of their authority in Egypt, and shrank from the responsibility attaching to overt action, it was not in their power to propound any financial settlement for Egypt of their own authority. The co-operation of Austria

was therefore essential to the effectuation of the desired settlement, and this co-operation could only be obtained on condition that the whole question should be submitted to an International Commission.

Having failed in their mission to Vienna, the Comptrollers-General proceeded to Egypt at the end of last November. Simultaneously with their departure, it was announced that a Commission of Liquidation would shortly be appointed to conclude an arrangement between Egypt and her creditors. It is matter for regret that the Commission was not appointed at once, but the truth is that very strong influences retarded its meeting. The Comptrollers - General objected, naturally enough, to the establishment of a body whose authority could hardly fail to interfere with their own supremacy. The proposed Commission was looked upon coldly by the French and English Foreign Offices. If ever the correspondence exchanged on this subject between the European chancelleries should be published, it will, I believe, be found that, throughout the negotiations which preceded the final appointment of the Commission, England and France endeavoured to obtain such a priority for their own representatives as would

have reduced the practical influence of the other Powers to a cipher, while Austria endeavoured to render their participation a reality.

Be this as it may, the negotiations made little or no progress for some months, and a general impression gained ground that the Commission would never meet at all. The Comptrollers themselves seem to have imagined that if they took matters into their own hands they might obviate the necessity for any Commission of Liquidation. During the months that elapsed between the establishment of the Control and the appointment of the Commission, the Comptrollers were the virtual rulers of Egypt. Not only was nothing done without their approval, but their authority was paramount even in questions which properly lay within the exclusive domain of the Egyptian ministers. Of their own initiative they prepared and promulgated a scheme for the settlement of the financial difficulties of Egypt, which, if it had been accepted, would have removed any necessity for the meeting of a Commission. The scheme was not in the main unfair or unreasonable, and many of its most important recommendations have subsequently been embodied in the report of the Commission. The real objections to the scheme were, that, coming

from such a source, it was certain to be rejected by the Governments not represented in the Control, and that its authors had no power to compel its adoption.

Possibly the attempt of the Comptrollers might have been attended with greater success if M. Waddington had remained Prime Minister of France. But M. de Freycinet, who succeeded to the premiership upon M. Waddington's fall, was not identified personally in any way with the French Comptroller-General, and took comparatively little interest in Egyptian affairs. Our own Government, as usual, was anxious above all things not to commit itself to any responsibility. The result was that the solution proposed by the Comptrollers met with no response, and that the necessity for a Commission became more and more evident, if any steps were really to be taken to place the finances of Egypt upon a sound and permanent footing. The negotiations, which had been interrupted by Lord Salisbury's illness, were resumed; the great influence of the house of Rothschild was brought to the support of those who were anxious to bring about the assembling of the Commission; and Sir Rivers Wilson was appointed to the post of President. The Commission consisted of two English-

men, two Frenchmen, one German, one Austrian, and one Italian. Thus England and France, if their representatives acted together, commanded a majority of votes ; but in case they disagreed, the Powers possessing one vote were able to decide the question at issue. By a curious oversight, no stipulation was made as to the Commission being bound by the votes of the majority. It is easily intelligible that the Egyptian Government should have accepted the appointment of the Commission with great reluctance, and should have been anxious to confine its functions within the narrowest limits. In principle, the powers entrusted to the Commission were of almost a sovereign character. They had the right to decide what proportion of the revenue should be allotted respectively to the service of the State and of the Debt, and to decide not only what rate of interest should be paid to the creditors, but what debts should be regarded as binding. In fact, Egypt was treated as a bankrupt estate, the realisation of whose assets and the payment of whose liabilities had been handed over to liquidators. As I have endeavoured to explain, no other process was available by which Egypt could obtain relief from the crushing burden of the Unconsolidated Debt, and therefore the Khedive

and his ministers were willing to accept a Commission as a necessary evil. But they were most anxious—and, from their own point of view, most rightly anxious—to curtail the scope and area of its investigations. Towards the attainment of this object they could count upon the support of the Comptrollers. It was not in human nature that these gentlemen should look with favour upon a body deputed to set aside their own schemes, and to override, at any rate for the time, their own authority. The chief object of the Egyptian Government was to obtain as large a share as possible of the national revenue, and to keep the share thus obtained, as completely as might be, under its own control; and the Comptrollers set themselves from the outset to assist the native Government in obtaining the fulfilment of their wishes. From different motives the diplomatic representatives both of France and England were inclined to side with the Cairene Government in its wish to circumscribe the powers of the Commission. They naturally and properly objected to any process by which the authority of the Anglo-French Protectorate was likely to be subordinated to that of a Commission possessing an international as distinguished from an Anglo-French character.

Moreover, shortly before the overthrow of the late Government, instructions were sent from the Foreign Office to our diplomatic agent at Cairo to the effect that the Commission ought not to go behind the estimates furnished them by the Egyptian Government with the sanction of the Comptrollers, and ought to provide in the most liberal manner for the requirements of the native administration. If any controversy should arise on these points, our agent was instructed further to exert his influence on the side of the Government as against the Commission. I am not aware how far similar instructions were sent to the representative of France, but I think that I can state with confidence that the existence of these instructions was unknown to the members of the Commission at the time when they entered upon their labours.

Thus at the very outset the Commission found that their powers, though theoretically unlimited, were practically very much restricted. If the estate they were appointed to liquidate had belonged to a private bankrupt, their course of procedure would have been simple enough. Their first duty would have been to ascertain by independent investigation what income the bankrupt really derived from his resources, and what was the net amount of his

liabilities. Having ascertained these facts, they would next have had to decide what was the least sum for which the revenue could be collected, and the business of administration carried on without detriment to the yield of the property. And having come to a decision on this point, their duty would have been, after making provision for the necessary working expenses of the estate and for an allowance to the bankrupt as manager, to apportion the surplus among the various classes of creditors. Here, however, they were confronted at once with one of the difficulties which to my mind are fatal to all international arbitration. They had no power in the last resort to impose their will upon the bankrupt whose estate was under liquidation. In the case of an ordinary insolvent trader, the liquidators, as representing the creditors, may be most favourably disposed towards the bankrupt, and may hold that it is for the interest of all parties that the business should still be carried on in his name and under his management. But if he refuses to disclose the real state of his affairs, or places an exorbitant estimate on the amount required by him for his own support and the purposes of the business, they can always bring him to reason by threatening either to sell off the business for

what it will fetch, or to find some other manager who will carry on the concern on more advantageous terms for the creditors. The Commission could do nothing of the kind. They had not the power or the will to depose the Khedive. Any arrangement they could make must of necessity be carried out by him and under his control, and therefore no arrangement was of any practical value to which he refused to consent. No doubt if the Powers, by whom the Commission was appointed, had been prepared to say to the Egyptian Government, "The settlement proposed by our Commissioners is of the nature of an ultimatum, which, if it is not accepted, will be imposed by force," the Khedive and his ministers would have given way at once. But the Powers were not prepared to do this, and, what is more, were known not to be prepared. There was not even any unity of purpose between the Powers who composed this court of international arbitration. Its ostensible object was to protect the interests of the Egyptian creditors, while at the same time relieving Egypt from the burden of her pressing liabilities. But in reality the Commission represented a number of rival and conflicting interests.

From causes familiar to all persons who have

studied Egyptian finance, France was especially anxious to provide for the bondholders of the Unified Debt. England was more concerned with the protection of the Privileged Debt. Austria and Italy had chiefly at heart the interests of the Floating Debt. Again, England and France combined had a personal interest in providing for the payment of the Tribute Loans. Indeed, the only point on which the Powers were agreed was that it was not desirable to force Egypt into bankruptcy. Under these conditions the position of the Commissioners was one of extreme difficulty. All they could do, or hope to do, was to induce the Egyptian Government to accept a reasonable compromise, even if it fell far short of the requirements of abstract equity or practical expediency. That they succeeded as well as they did is due in the main to the ability, tact, good sense, and firmness of their President.

Sir Rivers Wilson had been designated from the first for the Presidency of the Commission of Liquidation. Nobody had had so large and intimate an experience of the subject under consideration as the former Minister of Finance in the Anglo-French Ministry. He had been the practical, though not the nominal, head of the Commission

of Inquiry which compelled the ex-Khedive to disgorge the enormous estates appropriated to his own use, and he was possessed of a sort of personal authority which no other financier, however able, could have exercised in his place. Moreover, Sir Rivers had a special and individual, as well as a public, claim to the Presidency of the Commission. Whatever may have been the errors of the Anglo-French administration, the responsibility for these errors rested equally on the shoulders of the French and English ministers. The former, however, had been reinstated in power by his own Government after the downfall of Ismail Pacha, while the latter had been left out in the cold. To have passed over Sir Rivers Wilson, and to have conferred the Presidency of the Commission on any one else, would have been to pass an indirect condemnation on the manner in which the late Minister of Finance had fulfilled his duties, and thereby to stultify the Government which had originally appointed him, and which had formally testified to the value of his services in Egypt.

April was well advanced before the Commission finally met at Cairo. Its sittings were secret. But in Egypt everything that goes on is known to any number of people. The questions on which the

Commission was divided were discussed publicly very shortly after the sittings were closed for the day ; and, without pretending to give any exact or detailed report, I believe I can give a substantially accurate account of the main issues which occupied the attention of the Commission. If, then, I am rightly informed, their chief channel of communication with the Egyptian Government was not so much through Riaz Pacha, the Prime Minister, as through the Comptrollers, who made themselves to a considerable extent the champions of the Government as against the Commission. The Comptrollers being assured, as I have already explained, of the support of their Consuls - General, were virtually in a position to decide what amount was essential for the administration of the State. The problem submitted to the Commission really came, therefore, to this: given an estimated revenue which they had no power to question, and a permanent charge on this revenue for the public service which they had no power to reduce, how could the surplus be best divided amidst the creditors ? The problem thus expounded fell far short of the conception formed by the Commission of their work. Still, even thus curtailed and restricted, the solution of the problem was attended with

greater difficulties than the Comptrollers had anticipated.

In round numbers, the estimates upon which the Commission was called to base their report may be stated as follows. The revenue of Egypt was, in the first instance, calculated at £8,000,000, and the necessary expenditure of the State at £4,500,000,* thus leaving only £3,500,000 available for the service of the public debt. I shall have something to say shortly about the justice of these estimates. For the moment, their correctness may be taken for granted. It will be obvious to any one who has any knowledge of the finances of Egypt that this sum of £3,500,000 was barely sufficient to provide a reasonable rate of interest on a debt whose total amount was not under £80,000,000. The Unified Loan, which represented more than three-fifths of the total indebtedness of Egypt, was entitled to seven per cent. interest. The bondholders were ready to submit to a large reduction, but four per cent. was the lowest they could be expected to accept; and as they enjoyed the active protection of the French Government, their expectations could not be safely disregarded. It was necessary therefore to provide four per cent. for

* Finally this amount was raised to £4,900,000.

the Unified. The other loans were all guaranteed by special hypothecations of particular sources of revenue, and could claim priority in respect of the Unified. It was impossible, therefore, with any show of equity, to deal more hardly with these loans than with the Unified ; and, as a fact, the Commission had to provide five per cent. for the Preference and the Daira loans. There was, therefore, little or no margin available for meeting the claims of any creditors not included in the recognised schedule. There were, however, large classes of such creditors. Ismail Pacha not only borrowed all the money that European capitalists could be induced to lend, but he appropriated all the savings of his own people on which he could lay his hands. He contracted, in fact, a large number of forced loans, on one pretence or another, and often with very little pretence at all. In many cases these native creditors had scarcely any legal or official acknowledgment which they could produce as proof of their claims. But even if their titles were perfectly in order they were not much better off. The international courts have no power to hear cases in which both parties are natives, and therefore an Egyptian creditor could demand no redress from the tribunals by which foreign creditors

obtained judgment against the State. The native law courts neither could nor would entertain a suit against the Government, and in consequence the debts due to natives were practically treated as non-existent. There was, however, one of these home loans which stood on a sort of intermediate footing between the native and the foreign debts. The loan in question was the Moukabaleh. The story of the Moukabaleh is far too complicated to tell in detail here. Indeed its discussion belongs to that category of interminable controversies as to which you can fairly plead, as a reason for not entering upon them, that "that way madness lies." It is enough to say that the Moukabaleh was a loan made by the landowners of Egypt to the late Khedive, in response to an offer on his part that, by paying a certain number of years' imposts in advance, they should have their land tax reduced in perpetuity. The bargain was a most improvident one, and, if it had been carried out, would have been ruinous to the revenue. It is tolerably certain that Ismail Pacha intended to evade the obligation he had thus undertaken, and it is certain that its annulment was imperatively demanded by the welfare of Egypt. Still, in common equity the Moukabaleh bondholders had a claim to

compensation for the non-fulfilment of the contract on the faith of which they had made their advances. Their titles were indisputable in law ; and though the amount of the nominal Moukabaleh Debt (£16,000,000) was open to discussion, yet, after making every reduction for irregular or fictitious claims, it was admitted that at least £8,000,000 was due to the holders of the Moukabaleh bonds for advances made to the Government in virtue of a solemn contract. There was no single class of public creditors which had so strong a moral claim for consideration as the Moukabaleh bondholders, nineteen-twentieths of whom were natives, and were therefore deprived of any means of enforcing their claims by law. The Comptrollers, however, insisted that the Commission ought not even to take these claims into consideration, but ought to leave the settlement of the Moukabaleh Debt to be arranged at some future period between the Government and its subjects. In so insisting, they were not actuated by any disregard for native rights, but by considerations to which I have already alluded. The surplus, according to their calculations, barely sufficed to provide such a composition as the foreign creditors could be expected to accept. If, therefore, any adequate provision was to be made for the

Moukabaleh bondholders, either the revenue must be increased or the sum allotted to the public service must be reduced, and against either of these conclusions the Comptrollers had set their face.

According to the law that the weakest always go to the wall—a law which holds good in the East even more than it does in the West—the creditors under the Moukabaleh would have been left without a hearing if it had not been for two incidents which had little or nothing to do with the abstract justice of their claim. The first of these incidents was that a certain number of foreigners, chiefly Greeks, were indirectly interested in the matter under dispute. These Greeks had brought lands from landowners who had availed themselves of the Moukabaleh, and had paid a higher price on account of the supposed exemption of the estates in question from the land tax. In the event of no compensation being made for the abolition of the Moukabaleh, they threatened to appeal to the international courts for redress. Such an appeal would very probably have been successful. At all events it must have raised a number of very inconvenient issues. The second incident was that the case of the Moukabaleh bondholders was taken up very warmly by Nubar Patha. By his efforts some-

thing like an organised agitation was got up against the proposed exclusion of the Moukabaleh bondholders from any share in the liquidation. What were the motives which influenced the ex-Premier in thus putting himself forward as the champion of the native creditors must of course be matter of opinion. But even if they were as creditable as I personally believe them to have been, they could not fail to be misinterpreted. It was asserted that Nubar's object was to strengthen his popularity with the native population, and thus to prepare the way for his return to office. The assertion found credence amidst Nubar's rivals, and the question as to admissibility or inadmissibility of the Moukabaleh claims was complicated by partisan and personal jealousies. Sir Rivers Wilson, as President of the Commission, stood out strongly for the admission of the Moukabaleh claims on the ground that it would be inexpedient as well as unjust to sacrifice unreservedly the interests of the native creditors. He was supported in this protest by his German and Italian colleagues; and, finally, the Comptrollers had to give way, and consent to a substantial though very inadequate¹ compensation being

¹ The sum allotted was £150,000 per annum, thus giving an interest of under two per cent. on a capital of £8,000,000.

made for the loss sustained by the Moukabaleh bondholders owing to the annulment of their contract.

An issue of more interest to the general public was that raised as to the disposal of the surplus revenue. The Government had, as I have said, estimated the revenue at eight millions.¹ In all the previous official calculations it had been put down as ten. There can be no doubt that during Ismail Pacha's reign the actual amount of money raised by taxation was on an average at least twelve millions, and probably was considerably in excess of that amount. It is true that this sum was raised by cruel and costly exactions. But still the critics of the late *régime*, including all the men in power, had persistently asserted that, with orderly administration and security for property, the revenue would yield a far larger return. Egypt was now enjoying a better administration and a greater security than she had known for centuries. The harvest was one of unexampled richness; the peasantry were exceptionally prosperous; the taxes were being raised without the slightest default and delay; and yet the revenue was declared to be two

¹ At a later date this estimate was increased by half a million.

millions short of the estimate on which all previous calculations had been based. The Comptrollers alleged, as excuses for this deficiency, that the ex-Khedive had for his own purposes systematically exaggerated the revenue of the country ; that in view of a low Nile, or any other calamity, such as drought or murrain, it was desirable not to estimate the revenue by the return of a prosperous season ; and that, even as it was, eight millions was the utmost amount on which the Egyptian exchequer could safely rely. There was great force in these arguments. Still it was difficult to avoid the impression that the revenue had been calculated at too low a figure, and the cost of the public service at too high a one, in order to reduce the amount available for the service of the debt, and to supply the Government with additional funds beyond those included in the Civil List. This impression gained confirmation from the attitude assumed by the Government in reference to the question of a possible surplus. Sir Rivers Wilson contended that, if the revenue exceeded eight millions, the fairest arrangement, alike for Egypt and her creditors, was to devote this excess to the reduction of the public debt, as thereby, while the stock would be improved in value, the country would be

relieved from the weight of an enormous debt. But this contention the Government met with an absolute refusal. Having first declared that £8,000,000 represented the full revenue on which they could count with any confidence, they argued that the surplus, if any, must be handed over to them, on the plea that they had left no margin for unforeseen expenditure. A subsequent proposal to devote the surplus to the extinction of debt up to one per cent. was likewise tabooed, and all the Government could finally be induced to promise was, that a sum equivalent to half per cent. on the amount of the public debt should, if the surplus would allow, be devoted annually to the redemption of bonds. At this rate, even supposing the surplus always to prove adequate for the purpose, it would take about a century and a half to pay off the existing debt.

In itself the controversy about the disposal of an hypothetical surplus always seemed to me, as knowing Egypt, a doubtful waste of time. But the noteworthy part of the whole discussion is that the Comptrollers throughout supported the demands of the Government as against the Commission. It would be absurd to suppose that the Comptrollers had any interest in augmenting the funds at the

disposal of the native administration, or that they were not alive to the desirability of making some real provision for the extinction of the debt. But they felt that the goodwill of the Government was essential to the maintenance of their own authority, and this goodwill could only be secured by assisting the Government in delivering itself as much as possible from the financial fetters which the Commission desired to impose. After a protracted and at times an embittered discussion, the Government got in the main what it demanded, and the net result is, that if the revenue, as there is every reason to expect, should exceed the low estimate of £8,000,000, or even £8,500,000, the Egyptian administration will have large funds at its disposal, in addition to the ample provision made by the Civil List, for its normal expenditure.

After these two points, the admission of the Moukabaleh claims and the disposal of the surplus revenue, had been settled by compromises with which the Egyptian Government, at any rate, had no cause to be discontented, the liquidation proceeded rapidly enough. The truth is, there was very little left to liquidate. The bankrupt being allowed to estimate his own revenue, to fix his own allowance, and to appropriate the bulk of any

eventual surplus, all the liquidators had to do was to distribute the sum which, with the bankrupt's consent, was considered available for the payment of a composition to his creditors. The mode in which this was done is of little interest to the general public. All that need be said is that the composition dealt on the whole fairly with all the various categories of Egyptian creditors. If, as I deem, the Floating Debt holders received rather more than their fair share, and the Unified bondholders rather less, this was only because the former were more clamorous than the latter, and better able to enforce their claims.

Supposing I have made my meaning clear, it will be obvious that the liquidation has been a mere compromise, and not in any sense a comprehensive settlement of the Egyptian financial problem. No attempt was made, or could be made, by the Commission to consolidate the various debts, to do away with the special hypothecations of different branches of the revenue, or to abolish the heterogeneous administrations which exist side by side in Egypt. Yet the consolidation of all Egyptian loans into one stock, paying one uniform rate of interest, and the collection of the revenue by one central administration,

are the essential conditions of any effective and permanent reorganization of Egypt. The simple truth is that the Commissioners themselves, or, more strictly speaking, the Powers by whom they were nominated, were not prepared to undertake any such reorganization. All they were agreed upon was the necessity of making some arrangement in virtue of which the bondholders should secure such a composition as they would be content to accept; the dead-lock caused by the pretensions of the Floating Debt creditors should be removed; and the authority of the international courts should be preserved intact. In fact, the measure of the Commissioners' power was the extent to which they could rely on the support of the bondholders, and the bondholders were not disposed to press for more than a moderate and reasonably secure composition.

This conclusion brings me to what I regard as the moral of the whole story of the Commission; and that is, that the real permanent force in Egypt is that of the European capital which either directly or indirectly is interested in its welfare. It is the fashion in certain quarters to decry the greed of the bondholders, and I have no wish to represent them as actuated by higher motives than ordinary

mankind. But, as a matter of fact, it is the influence of these much-maligned bondholders, not that of any European concert, which stopped the late Khedive in his insane expenditure, which brought about the restitution of the estates appropriated by his greed, which led to his deposition, and which has secured the establishment of an orderly and honest administration. It is to this influence we have now to look for the maintenance of the reforms introduced.

That there exists such an influence, independent of party politics and diplomatic jealousies, must be matter for satisfaction to all who have at heart the welfare of Egypt. The one fundamental condition of law and order in Egypt is the presence of a powerful and dominant European element in the administration. While giving the young Khedive, Riaz Pacha, and his colleagues, full credit for an honest desire to administer Egypt with a view to the interests of the country, and not to their own enrichment or aggrandisement, I cannot conceal from myself that, without European supervision, they cannot hold their own against the permanent forces which tend to reduce Egypt under the sway of corruption, extravagance, oppression, and maladministration of all kinds. If ever, in fact, Egypt

were left entirely to herself, she would inevitably fall back into the condition she was in under Ismail Pacha. Now the Comptrollers do undoubtedly supply the supervision required. I may, and do, disapprove in some respects of the policy they have pursued, and especially of the opposition they have offered to the development of European enterprise in Egypt; but so long as they represent the protectorate of England and France, I should regret their downfall most sincerely. Still it is impossible to shut one's eyes to the fact that their tenure of power is insecure. Though for the moment the native administration may work in harmony with the Comptrollers, yet the Khedive and his ministers, whoever they may be, will always be anxious to shake off their tutelage at the earliest moment possible. The other powers are on the look-out for any opportunity of overthrowing the Anglo-French protectorate; and the independent European mercantile community, who might have rendered the Comptrollers a most efficient support, have been to some extent alienated by their reluctance to assist the introduction of European capital. Moreover, their position is logically a weak one. As soon as Egypt, thanks to the Commission, has emerged

from her financial embarrassments, and is in a position to meet her engagements, the exceptional state of things which justified the exceptional powers conceded to the Comptrollers will have ceased to exist. At no distant period the Egyptian Government will in all probability demand the abolition, or at any rate the suspension, of the Control, on the plea that the country could be ruled more economically and more efficiently by a single native administration than it is at present by a number of independent and inexperienced European administrations. This demand will be supported by the Powers not represented in the protectorate. No doubt, if England and France are determined to insist upon the retention of the Comptrollership, they have the power to do so. But, in order to do this, they must be ready to assert distinctly their determination to keep Egypt for themselves, a thing they have always shrunk from doing, and they must be prepared to pursue a common policy loyally and openly, which they have never done as yet. France, who has gained the most by the protectorate, and has no objection to the charge of intervention, might be willing to uphold the control system. But France by herself is powerless in

Egypt; and I doubt greatly whether England will consent to assume any direct responsibility in conjunction with France for the internal administration of Egypt.

If, therefore, the only guarantee for the new and better order of things now established in Egypt under the present Khedive consisted in the permanence of the Comptrollership, I should not be over-sanguine as to its duration. Fortunately the European community, which is daily increasing in power and influence, has the most direct and personal interest in preserving Egypt from falling back under arbitrary rule. The stake is too large to be imperilled with impunity. All experience shows that when once European traders have obtained a legal footing in an Oriental country they are not to be ousted from their tenure. Through the international courts the Europeans have obtained such a footing in Egypt, and they will, I am convinced, insist on the administration of the country remaining, in one form or another, under European control. But in so insisting they will look to their own interests, which in many respects are only partially identical with, and in others are absolutely hostile to, those of England. However, we had the game in our own hands, and refused to make

ourselves masters of Egypt while it lay within our grasp. We cannot wonder or complain if other persons accept what we refuse, and if Egypt passes under the control of a European instead of an English or even an Anglo-French protectorate. Autonomous in any true sense of the word, after all that has come and gone, Egypt can never be.

THE OUTLOOK FOR THE FUTURE.

(MARCH, 1881.)

WITH the close of the Commission of Liquidation, the crisis produced in Egypt by the extravagance and misrule of the late Khedive may be said to have been brought to an end. I have seen too much of the country and know its conditions too intimately to venture on any prediction that the era of tranquillity and progress on which Egypt has entered will be either unbroken or permanent. My own expectations are indeed sanguine, but the unforeseen, which plays so large a part in all mundane affairs, plays so exceptionally great a one in the affairs of a country passing through a period of transition, the outcome of which is still matter for speculation, that it would be idle to reckon too confidently on the future.

Subject, however, to this qualification, the outlook for Egypt and her creditors seems to me a


very hopeful one. I speak of the creditors first, not because I deem their interests more important than those of the country, but because the welfare of the former is the essential condition to the well-being of the latter. If I have contrived in the foregoing articles to make my meaning clear, my readers will have understood that in my judgment the one essential condition of prosperity and security for Egypt, the one reason why her condition is different from and superior to that of Morocco or Tunis, or the other provinces of the Ottoman Empire, is to be found in the existence of an independent and powerful European element within her borders, and in the fact that Europe has great financial interests in the welfare of Egypt, which she has both the will and the power to protect. Now, as things are, these interests are protected. In as far as the experience of the present Khedive's reign can be taken as a test, Egypt is able to pay regularly and without any excessive strain on her resources, the full amount of the liabilities to which she remains subject by the award of the Commission. Indeed, if this award be regarded solely in the light of a composition between an insolvent estate and its creditors, the liquidators may fairly be said to have shown too much consideration

for the bankrupt. As I anticipated at the time, the revenue has proved largely in excess of the estimate which the Commission was obliged to accept as the basis of the award ; and it is now clear that Egypt could, as a matter of account, have paid a larger composition to her creditors, especially to the holders of Unified Stock, and have made more ample provision for the ultimate reduction of her debt. Still, other considerations than those of the immediate pecuniary interests of the bondholders had to be taken into account ; and the award, even if it erred on the side of liberality, in as far as Egypt was concerned, has provided the Government with ample funds if wisely employed for the development of the internal resources of the country, after making due provision for the debt, and for the legitimate expenditure of the administration. Moreover, the award, whatever exceptions may be taken to it on the ground of abstract equity, has satisfied the expectations of the creditors. It has been accepted readily as a fixed settlement, and as such it has restored the financial credit of Egypt. European capital is once more flowing rapidly into the country ; and this capital, instead of being supplied, as in bygone days, to provide for the extrava-

gance and caprice of an irresponsible and arbitrary ruler, is being invested in industrial enterprizes, which, whether they prove profitable or otherwise to the investors, cannot fail to prove beneficial to the country at large. The European element is daily increasing in wealth and authority as well as improving in character ; and the virtual control of Egypt is rapidly passing indirectly, if not directly, from the hands of Oriental Pachas into those of Europeans, who, for their own sake, if not for that of the natives, possess the strongest interest in having the administration conducted with something like regularity and justice.

If this is so, it must follow as a necessary deduction that the condition of the country itself has improved. Apart from any *a priori* reasoning, the existence of this improvement is not open to doubt. There is as yet, as I have frequently pointed out already, no such thing in existence as an Egyptian nation ; whether there ever will be is a problem not likely to be solved, if at all, within our own times. The native population remain, as always within historic times, an inert mass of peasant cultivators, who have been subjected to one set of taskmasters after another, and who have not reached the stage of development which enables them even to

desire anything more than immunity from gross hardship, and permission to till their lands and live their lives without excessive exactions or exceptional oppression. This much the Fellaheen have already obtained under the new *régime*. I do not say, or suppose, that the Fellahs have not still to put up with oppressions and exactions which by any free European population would be accounted gross and flagrant outrages. No country, and especially no Oriental country, changes its customs in a day; and Egypt has been too long administered on the principles of the Pharaohs for it to be possible to suppose that the tax-collectors in the provinces—whatever orders they may receive from Cairo—have ceased to use the Kurbash or employ the *Corrée*, or exact backsheesh on their own account, if not on that of the Government. However, if you have been a martyr to the gout, an occasional twinge of pain counts for nothing; and the Fellahs have had so little time to forget their cruel plight during the late reign that any occasional acts of arbitrary oppression to which they may still be subjected are in their eyes no more than the accidents of daily life. Their present condition might seem a hard one to peoples more happily situated, but to them it is one of unexampled prosperity and inde-



pendence. For the first time since there was a public debt in Egypt, they have been allowed to reap the profit of their own labour and to make money openly. The consequence of this state of things is that the taxes are paid regularly and easily; that there are few or no arrears of taxation; and that with the possession of money they are no longer afraid to display, the Fellaheen are beginning to buy land, and to develop new wants.

Under the system now in force, Egypt is administered by native ministers and officials, acting under European supervision. Certain branches of the administration, such as the railways, are under direct Anglo-French management. But even in these departments of the Government, the actual administrative work is conducted by natives; and it may be said with truth, that all direct communication between the ruler and the ruled is carried on by native, not foreign, agency. On the whole, the system has so far worked well. Its success no doubt is mainly due to accidental circumstances and individual influences. The reigning Khedive is, I believe, actuated by an honest and intelligent desire to promote the welfare of his country. The Prime Minister, Riaz Pacha, is a man of singular activity of mind and probity of character, and has

shown throughout his career very high devotion to the public service ; and the administration contains an unusual number of men of intelligence and integrity, judged by an Oriental standard. Still, now as heretofore, the efficiency of the administration depends almost entirely upon personal considerations. Little or nothing has been done as yet to replace the old system of personal rule by institutions which would give a permanent guarantee for the stability of the new order of things. It is idle to talk of constitutional or parliamentary government in such a country as Egypt. But the introduction of independent tribunals for the natives, the diffusion of education, the development of local self-government within the village communities, and the institution of a council of notables to revise the decrees of the Government, would do much amidst other reforms to make orderly and honest administration the rule and not the exception in Egypt. So far, however, the relations between the Government and the people remain unaltered, save that the Government is carried on by wiser and more honest administrators than was the case heretofore. If these administrators were replaced by men of less ability and honesty, the good done would be undone in as far as the internal condition of

Egypt is concerned. Moreover, a purely personal Government to be efficient must be strong. The Egyptians may and do prefer the reign of Tewfik to that of Ismail, but they do not fear the former as they did the latter. Now the whole system of Egyptian administration, such as it was, rested upon the conviction that within his own dominions the Effendina could do what he thought fit in his own sight, could punish and reward as his judgment or caprice might dictate. This conviction has of late been rudely shaken. The Khedive's authority is no longer what it was, and a spirit of insubordination has developed itself in consequence amidst the more unruly elements of the population. Still, notwithstanding the disorders which have recently occurred in the ranks of the army, I do not think there is much probability, as things are at present, of serious disturbance. The real, indeed the only, element of opposition to the established Government, be it bad or good, is to be found amidst the Turkish party. This party, which consists of the Court, the chief officials, and a certain number of Pachas, is undoubtedly bitterly hostile at heart to the control exercised by the Anglo-French Protectorate, and resents the extent to which the Khedive has submitted thereto. If it were not

for the fear of foreign intervention they could without question replace the present Ministry, with or without the consent of the Khedive, by men prepared to govern more strictly in accordance with Turkish interests and ideas. But they are well aware that any overt assault upon the authority of the Khedive would simply bring about direct intervention from abroad, and the establishment of an avowed Protectorate. Their opposition, therefore, however vexatious it may be, will not, I believe, go beyond the length of abortive demonstrations so long as the Anglo - French control remains unimpaired.

How long this control will so remain is of course an open question. A Protectorate which is not based upon open force, which has no direct and defined share in the administration of the country, and which depends for its existence upon the harmonious co-operation of two Governments actuated by different if not antagonistic ideas, traditions, and interests, cannot be regarded as more than a temporary arrangement for a period of transition. But the causes which have brought about this arrangement are likely to continue in operation for some years to come. The principal European interests in Egypt are alive to the truth that there is no real

security for order or good government except in the maintenance of some form of European supervision over the administration. Whether this supervision is exercised under the name of Ministers or Residents, or Controllers, matters comparatively little. The one important thing is that the supervision should be real, not nominal. Now for the present the reality exists, and therefore so long as the Anglo-French Controllers work together, they will have in the long run the support of the European interests in Egypt, whatever local or personal opposition they may encounter. In plain English, the European element has got a fair hold on Egypt ; and it would be contrary to all experience of the relations between Western and Eastern nations if this hold, once established, were allowed to drop.

The further question, in whose interest this European ascendancy will be exercised, is one not so easy to answer. Those who consider that England has no interest in Egypt other than that of seeing the country so governed as to allow free scope for European enterprise, have fair reason to be satisfied with the present state of things. Those who hold that England has peculiar and exceptional interests to defend in Egypt—interests

which other nations do not and cannot desire to defend—must look with suspicion on a condition of affairs under which England is only one among the different countries who are making good their footing in the Delta. To the latter category I belong. It is, however, idle to complain. We had our chance and failed to avail ourselves thereof. Fortune may still stand us in good stead in lieu of foresight. This is the utmost we can hope.

In conclusion, I would say, that of the many charges that have been brought against the late government, the most unfounded—and this is a point on which I have some reason to speak with knowledge—is that they interposed in the affairs of Egypt with the view of promoting the ascendancy of England. The real charge against them is rather that from an exaggerated estimate of the importance of conciliating the goodwill of France, they sacrificed the substance for the shadow, and consented to loosen our grasp on the Delta for the sake of purchasing a chimerical support against hypothetical dangers on the Bosphorus.

OUR EMPIRE IN THE EAST.

(SEPTEMBER, 1877.)*

MR. GLADSTONE is far too experienced as well as too high-minded a controversialist to attach any great value to the discovery of flaws in the argument of an opponent, so long as he is not able to overthrow the argument itself. The eminent statesman who has honoured me by an elaborate criticism of the reasons I have advanced in favour of an English occupation of the Isthmus would be the first to admit that the substantial force of my plea is not invalidated by a demonstration that in my pleadings I may have over-estimated some of the advantages of occupation, and under-estimated

* This article was written in reply to an article of Mr Gladstone's, which had recently appeared in the *Nineteenth Century*, condemnatory of my suggestion, that England should take possession of Egypt. I reproduce it here for the reasons explained in my introduction.

some of the difficulties. I do not indeed admit that any such demonstration has been made. But the main gist and purport of my argument that the authority of England ought to be made permanent in Egypt would not be affected by any disproof of the minor considerations on which I have dwelt in support of my thesis. In like fashion I see little to be gained by showing, or attempting to show, that Mr. Gladstone is, as I hold, in error with respect to the details of the scheme against which he has recorded his powerful dissent. If, on general grounds, it is unjust, unwise, and inexpedient for England to include within the limits of her Empire the region through which the Suez Canal passes, then it is idle to waste time on proving that the route round the Cape is not equally serviceable for military or commercial purposes with the route across the Isthmus. If the whole story of the siege of Troy be regarded as a myth, there is nothing gained by considering whether the site of the ruins discovered by Dr. Schliemann corresponds with the description of the Trojan capital contained in the Iliad. If you deny the possibility of revelation, it is futile to discuss the authenticity of the disputed gospels. And so, too, if you hold the extension of our Empire over Egypt to be

unjustifiable and undesirable, there is no good in showing that such an extension would strengthen our military position, or improve the condition of the Fellaheen. Given Mr. Gladstone's standpoint, we who advocate the occupation of Egypt have to show, in the first place, that the extension of our Empire is not a positive sin and evil; and only when we have shown this can we argue with any advantage that this particular extension is recommended by special considerations. If the title to an estate is disputed, the claimant gains nothing by arguing that the possession of the land in question would secure his right of way to other fields, or would improve the condition of the tenants.

Thus, if I read aright the article on "Aggression in Egypt," its distinguished author has raised a far wider issue than those with which I have dealt in what I have hitherto written on this subject. The venue of the case, if I may be pardoned the metaphor, has been removed from the Courts of Nisi Prius to those of Equity. In order to hold my ground I am now called on to defend certain principles which lie at the foundation of our whole Imperial policy. The task is one which for its full accomplishment would require volumes and not

pages. Nor, under ordinary circumstances, should I have ventured to take the initiative in expounding what I hold to be the true theory of our national life, especially in opposition to a statesman who speaks with the authority justly due to a world-wide fame. But as I have advocated certain views with regard to England in relation to Egypt, and as Mr. Gladstone has taxed these views as forming "a new snare in the path of our policy," I trust I may be excused if I endeavour to explain as succinctly as I may what I hold to be the part, whether you call it mission, or policy, or destiny, that this England of ours has played, and has yet to play, on the stage of history. Mr. Gladstone has stated correctly that my "first and fundamental proposition is that the preservation of our dominion in the East is only less important to us than the preservation of our national independence." I accept the statement thankfully. The only qualification I should make would be to substitute the word Empire for "our dominion in the East." India is the greatest of our Imperial possessions; but what I contend for is that the maintenance of our Empire is to us as a nation a matter of vital import, only to be postponed to the maintenance of our independence. On the other hand,

Mr. Gladstone, if I am right in my estimate of his position, regards our Empire in general, and India in particular, as mere accidents of our national greatness—as sources of weakness, not of strength—as liabilities to be diminished, rather than as assets to be enlarged and secured. It is possible that in defining thus crudely the position occupied by Mr. Gladstone, I may be assigning to him opinions somewhat in advance of those to which he has committed himself in his “Aggression on Egypt.” If so, I trust it will be understood that I am protesting rather against a school than against the utterances of an individual teacher. I think, however, it will scarcely be questioned that the definition just given of Mr. Gladstone’s opinions represents fairly enough the anti-imperialist theory of English statecraft. To this theory of statecraft Mr. Gladstone has, as I understand, given his adhesion in the article on which I comment. He would doubtless repudiate the extravagances to which some of its chief adherents have committed themselves. But Mr. Gladstone’s authority as the foremost of British statesmen and as a Prime Minister of the British Empire so far surpasses that of the professors and publicists who have hitherto been the champions of the anti-

imperialist dogma, that he can hardly complain if his name should be identified with the dogma in question, to the exclusion of others to whom its parentage is perhaps more justly due.

It does not logically follow that because a politician objects to any further extension of our Empire he should therefore be in favour of its dismemberment. But if once this country comes to the conclusion that we have had enough of empire, and that we should do wisely to reduce our Imperial liabilities as soon as we can do so consistently with the moral obligations we have undertaken, then the days of our rule as a great Power are clearly numbered. Englishmen who live out their lives in these small islands, who give the best of their labour to the questions, conflicts, issues of our insular existence, are apt to forget what England is in truth. Take up any gazetteer, and you will find there what every schoolboy is supposed to know, but what to scores of Englishmen out of every hundred will read like a new discovery, the dimensions of the Empire of Great Britain. The United Kingdom, with an area of 120,000 square miles and a population of thirty-three millions, rules over eight million square miles of the globe's surface and two hundred mil-


lions of the world's inhabitants. Open any map, and glance for one moment at the dominions in which the Union-jack is the standard of the ruling race ! Canada stretching from the Atlantic to the Pacific, the peninsula of India, the continent of Australia, the South of Africa, are only the largest blotches, so to speak, in a world-chart blurred and dotted over with the stamp-marks of British rule. Spread-eagle declamation about the Empire over which the sun never sets is not in accordance with the taste of our day, or the tone of thought which prevails amidst our governing classes. Facts and not fancies are the cry of the age. But it is well to remember that, after all, the existence of the British Empire is a fact and not a fancy. It is true that the conditions under which we hold our Imperial possessions are of the most varied kind. But whether the tenure be that of an ill-defined partnership as in Canada, or of direct military dominion as in India, there is this in common to all our colonies. Wherever the Union-jack floats, there the English race rules ; English laws prevail ; English ideas are dominant ; English speech holds the upper hand. Our Empire may or may not be a benefit to England or to the countries over which she holds dominion ; but its reality is as certain

as its magnitude. If, by any possibility, one of the chief countries of the world could suddenly be made to disappear from the world's surface just as the lost Pleiad vanished from the face of the heavens, and if the country doomed to annihilation were selected on the same principle as that upon which boys act when they pull down an ant-hill, it is certain that the United Kingdom would be chosen for obliteration, on the ground that its sudden disappearance would cause the maximum of disturbance to the denizens of this planet. No greater scurry of human ants looking for new nests, seeking in vain for their lost shelter, could well be devised for the amusement of some malicious Titan to whom the earth was a play-ball than would be produced by the sudden submersion of these islands. Indeed, in as far as we know of the world's annals, no similar event could ever have produced so great a cataclysm throughout the inhabited globe, unless Italy had suddenly been swallowed up in the days when the Roman Empire was at the summit of its power. In saying this, I am not asserting that England occupies, or ought to occupy, the foremost rank in the history of mankind. All I do assert is that England, like Rome, is the corner-stone of an imperial fabric such as it

has fallen to the lot of no other country to erect, or uphold when erected. This being so—and that it is so even the most fanatical of anti-imperialists will admit—the burden of proof surely rests with those who would pull down this Greater Britain, or allow it to fall to pieces, not with those who would consolidate or, if need be, extend the inheritance handed down to us by the labour, self-sacrifice, and courage of bygone generations of Englishmen.

The general issue of Empire or no Empire is not affected by considerations as to individual augmentations or cessions of territory. I may admit, as a matter of argument, that England gained rather than lost, by the secession of her American colonies; that the cession of the Ionian Islands was a wise measure, and the annexation of Fiji an unwise one. I may even acknowledge that the secession of Canada from the mother country is an event to be looked forward to without regret. Personally I should dissent from most of these conclusions; but, even if I accepted them, I should see no cause to alter my view, that the maintenance of the Empire—that is, of British authority over a vast outlying territory—ought to be one of the chief, if not the chief, object of British statesmanship. People, I think, are too apt to forget how

it is that this Empire has come into being. In the strict sense of the word we have never been a conquering nation. Since the days when the Plantagenets essayed the conquest of France we have never deliberately undertaken the conquest of any foreign country ; we have never made war with the set purpose of annexing any given territory. We have had no monarchs whose aim and ambition it has been to add fresh possessions to the crown, in order simply and solely to extend the area of their dominions. North and south, east and west, we have planted the British flag in every corner of the globe, but we have done so rather in obedience to real or fancied exigencies than to any lust of conquest. The definition which Topsy, in *Uncle Tom's Cabin*, gave of her being would be about the best that could be given of the origin of our Empire. "'Spects I growed," is the sum of what one can say about the subject. No individual name is associated with the foundation of our Imperial power. Indeed, it is curious that the men chiefly associated with the warlike glories of England—Marlborough, Nelson, Wellington—added little or nothing directly to our dominions beyond the seas. A motley variety of causes, motives, accidents, have combined together to create the Empire of England. In all



the countless wars in which we have been engaged from the time when England first became a power in Europe, we have fought by land and sea to uphold or upset dynasties, to advance or suppress creeds, to revenge injuries or to avert dangers, to protect our subjects abroad or to secure the interests of our merchants at home. But our conquests have come to us as the accidents of war, not as the objects of our warfare. I do not deduce from this that our annexations of territory have been obtained more justly or more rightfully than those of Powers who have conquered for the sake of conquering. What I want to point out is that our Empire is the result not so much of any military spirit as of a certain instinct of development inherent in our race. We have in us the blood of the Vikings; and the same impulse which sent the Norsemen forth to seek new homes in strange lands has, for century after century, impelled their descendants to wander forth in search of wealth, power, or adventure. "To be fruitful, and multiply, and replenish the earth," seems to be the mission entrusted to us, as it was to the survivors of the deluge. The Wandering Jew of nations, it is forbidden to us to rest. The history of all our conquests, settlements, annexations, is,


with rare exceptions, substantially the same. Attracted by the hope of gain, the love of excitement, or, more often still, by the mere migratory instinct, English settlers pitch their tents in some foreign land, and obtain a footing in the country. But, unlike the colonists of other races, they carry England with them ; they keep their own tongue, marry amidst their own people, dwell after their own fashion, and, though they may live and die in the land of their adoption, look to the mother country as their home. As their footing becomes established their interests clash with those of the native population. Whether with or without due cause, quarrels ensue ; and then, sometimes by their own energy, sometimes by the aid of England, sometimes by both combined, they establish their own supremacy, and become the ruling race in the regions which they entered as traders. I neither say nor think that the men who have founded the British Empire were actuated consciously by any very high or unselfish motives. I am not defending the morality of the process by which the fabric of that Empire has been built up and bulwarked. But the point I wish to have placed in a clear light is, that our Empire is due, not to the ambition of kings, not to the genius of generals, not even to the

prevalence of one of those phases of military ardour through which most nations have to pass, but to the silent, constant operation of the instincts, laudable or otherwise, which have filled the world with the sound of the English tongue. If our Empire beyond the seas is to be undone of our own free will and consent, we shall have not only to rewrite our history, but to remodel our character as a nation. To say that our Empire is "bone of our bone, and flesh of our flesh," is not to express an opinion, but to assert a fact. So long as Englishmen retain at once their migratory instinct, their passion for independence, and their impatience of foreign rule, they are bound by a manifest destiny to found empires abroad, or, in other words, to make themselves the dominant race in the foreign countries to which they wander. If England were deprived tomorrow of all her colonies, and if her people still retained their independence and their energy, they would at once begin again to go through the process of Empire-making; and this they would do not so much of intent and forethought as in compliance with a like instinct to that which leads ants, as soon as their scare is over, after the destruction of their nest, to set to work to build up a new shelter and abode.

I may perhaps as well say here that I do not regard the manifest destiny plea as a justification for the modes in which our Empire has been established. I have as little sympathy with the "right of might" doctrine of Mr. Carlyle and his disciples as any one well can have who is not prepared to ignore the conditions under which mankind live and move and have their being. But when an argument is raised as to the expediency or in expediency of extending our Empire, it is well to show that this Empire came into existence through the operation of natural causes associated with our national character, instincts, and propensities. If the retention of our Empire is regarded as a sin, then it is no defence to say that we are impelled to it by our English nature; but if all that can be said is that it is inexpedient, then the element of national proclivities becomes a most important item of consideration. I suppose, however, my opponents would retort that, even admitting the truth of my theory with regard to the process by which our Empire has been constructed, the influences to which I alluded have ceased to exist. They would argue that England has now reached a degree of civilization or development under which a colonial empire is no longer a

necessity of her existence. As I have said before, the *onus probandi* lies with the authors of this theory. At first sight a house is not strengthened by removing its foundations; a bank is not rendered more solvent by exhausting its resources. As a matter of fact, I believe the possession of a number of outlying dependencies scattered over every portion of the globe is an essential element of the commercial prosperity on which our greatness as a nation depends. Englishmen, as a rule, never seem to me to realize how accidental—I will not say how artificial—our insular greatness is in itself. We owe the fact that we are one of the great Powers of the world, not to the natural resources of our country, not to the military character of our people, not even to the advantages of our position, but to the circumstance of our having got the trade of the world into our hands, and thereby secured the pre-eminence due to the command of wealth. And the reasons why we have got the trade of the world into our hands are threefold. First and foremost, the possession of certain national qualities, which lead us to devote more energy, to run more risk, to undergo more inconvenience, in the pursuit of wealth abroad, than other nations are prepared to do; the second is the extent to which we are able

to protect our commerce by our naval supremacy ; and the third is the ownership of ports and stations all over the world in which our vessels can rest secure under our own flag. Without colonies we could not keep up our sovereignty of the seas, and when Britannia ceases to rule the waves, her commercial supremacy cannot be maintained. Moreover, our industrial greatness depends in no small measure upon the estimate formed of our power by foreign countries. Prestige is to a nation very much what credit is to an individual. It is not the fact that they are so wealthy, but the fact that they are believed to be so wealthy, which enables the house of Rothschild to command credit throughout the world. It is so with England. Our accumulated riches, our vast enterprises, our colossal trade would wither away to nothing, if we lost the repute of power which stands us in lieu of the reality. No thinking man can compare the immensity of our transactions with the smallness of the forces at our disposal without being conscious of how much we owe to prestige. I do not say that the prestige is baseless. On the contrary, I believe the world is not far wrong in the confidence it entertains in the potential strength of England, in the latent resources to be found, if need be, in her wealth, her energy,




and her Empire. But if, with or without reason, that confidence were to be shaken, the effort we as a nation should be called upon to make in order to hold our own would be one from which we should find it hard to recover. And the confidence of which I speak, if not entirely owing to the magnitude of our Empire, depends upon it. If once we show a readiness to let the power our fathers won for us slip through our listless hands, our prestige is gone, and with it the credit which enables us to dispense with the sacrifices other nations are required to make in order to protect their independence. Our greatness, in short, is like that of Carthage rather than that of Rome, equally real while it lasts, but liable to be overthrown at far shorter notice. Of course it may be said that a greatness resting on so insecure a basis cannot last for ever. The statement cannot be gainsayed. All things in this world, empires, races, creeds, are destined to pass away; and if the probable durability of the kingdoms of the earth could be estimated by any actuarial process, I doubt the first or even the second place in calculated longevity being assigned to Great Britain as she is known to us. But to say that on this account we should let the Empire fall to pieces is as unworthy as for a man

to say he will take no part in the affairs of life because he has got to die. Nation and men alike, we have all to play out our part during the span of time we occupy the stage. The proudest aristocrat in the world cannot seriously believe his house is likely to last for ever, and yet, if he is true to his faith, he labours none the less to hand down the family name and status unimpaired to another generation. And so even those who have no faith in the perpetuity of any State, and of England perhaps less than of others, may well toil and struggle to leave the inheritance of power and glory they have received from their fathers undiminished to their children.

Moreover, incidentally, our Empire is of priceless value to us as a nation. As a mere question of pounds, shillings, and pence, I believe we receive far more from our Empire by the extension of our trade than we expend on its maintenance. But, even if this were otherwise, unproductive possessions are not necessarily unremunerative. It would be easy, I suspect, to prove by figures to any owner of a moor that he lost money by not letting it out for sheep farms. But his answer would be that he gained more in the health, vigour, and energy he derived from shooting on his moors, than he could

lose in money rental. In like manner it might be urged that even if we, as a nation, paid more for our Empire than it brought back to us, the bargain was still a cheap one. The energies of our race, the qualities which have made these islands what they are, find their scope, nutriment, and development in the work of colonising new lands, administering foreign governments, and ruling over less masterful races. Greater Britain serves as a safety-valve for Great Britain. At all times in our history we have had Drakes, Raleighs, Napiers, Cochranes, and Brookes, and so we should still have if England were confined within the four seas. But if the restless energies, the exuberant vitalities, the thirst for adventure, which found their vent and outlet in the far-away regions we have added to our dominions, had been locked up and immured within the narrow limits of our island home, our State would long ago have been torn to pieces by the turbulence of its component elements. When our English race was located within these small islands, it was bound to escape from its prison or to consume itself by the very excess of its own energy. It has been said that the parks are the lungs of London. It might be said, I think with greater truth, that Canada, India, and Australia

are the lungs of England. Still, the world was not created for the benefit of Anglo-Saxondom ; and I for one should be ashamed to plead the cause of our Empire beyond the seas, if all I could say of it was that it was good for England. For my own part, I cannot honestly put forward the plea so often urged of late, and to which Mr. Gladstone seems to have given the sanction of his high approval, that we rule India and the other portions of our Empire, in which we are masters and not settlers, on account of the benefits we confer, or hope to confer, upon the subject race. To my thinking it is a mere pretence to say that we went to India in the first instance, or stop there now, because we believe our presence to be a boon to the Hindoos. We have created an Empire beyond the seas for the reason described in the motto of the Dukes of Savoy, "*Je suis mon aistre.*" We too have followed our star, fulfilled our destiny, worked out the will implanted in us ; and to say that we have been influenced in the main by any higher motive seems to me a self-deception. Still, though to assert that we have gone forth to foreign lands for the sake of doing good would be sheer hypocrisy, we may fairly say that we have done good by going, and are doing good by stopping. In the



countries, such as Canada, Australia, and the Cape, where we have planted ourselves as settlers, the world at large has been the gainer by the substitution of civilisation for savagery. Indeed, it may be said of us, what can be said of few conquering races, that in no instance have we destroyed a superior civilisation, or left the world poorer in respect of culture by our conquests than we found it. And with respect to countries like India or Ceylon, where we rule as masters, not as settlers, as conquerors rather than as emigrants, we can make out a fair defence for our supremacy. We have substituted law and order for anarchy and oppression, settled peace for intestine warfare, a higher standard of government for a lower. I have no great belief in the theory that certain races cannot appreciate good government. After all, there is, as Sam Slick said, a good deal of human nature about man; and a desire for justice, a respect for honest dealing, are common to all mankind.

However keenly we may perceive the defects and short-comings of our Western civilisation, no man not given to paradox can question its superiority to that of the other quarters of the globe. Under it there is at any rate an opening for

progress, an opportunity of change for the better, an escape from the dead suspension of moral and intellectual growth to which caste, and custom, and usage have condemned the East. Whatever else we may have failed to do, the mere existence of our Empire has brought new life into lands stagnant for ages, has stirred up dormant energies, has instilled the rudimental ideas of individual liberty, equality before the law, and public duty. Be our own future fortunes what they may, a new and, on the whole, a better era will date for no small portion of the globe from the days when Englishmen first extended their dominion beyond the narrow limits of their island seas ; and the knowledge that this is so may fairly be counted against the many blots which stain our Imperial records.

There are, as far as I can see, only three arguments which can be brought to bear against the considerations briefly alluded to above. I may be told that we have no right to maintain an Empire abroad by force at all ; that we have not the power to maintain this Empire without exhausting our strength ; and that, finally, if we have both the right and the power, the gain is not commensurate to the cost.

Now, logically, I admit the difficulty of recon-


ciling the existence of our Empire, or of any Empire supported by force, with the doctrines of the Sermon on the Mount. But if the law of nations is to be regulated on the principle of doing unto others as ye would be done by, I do not see where the process of disintegration is to stop. The same principle which would call on us to surrender Gibraltar to the Spaniards, ought, in logic, to lead us to give back New Zealand to the Maories. It might be shown by an equally strong argument that America, if she is not in duty bound to restore their old hunting-grounds on the Potomac and the Hudson to the Red Indians, lies under a moral obligation to stop her advance towards the Pacific for fear of encroaching on the rights of the last of the Mohicans. As an abstract principle we are all prepared to agree with the truism contained in the Declaration of Independence, that governments derive their power from the consent of the governed. But how this principle is to be applied to practical life neither the Old World nor the New has yet been able to discover. The Latin adage, *Quod fieri non debet factum valet*, cannot be made to square with any abstract rule of international morality. If we have no right to acquire Egypt, it follows that we have no right to hold

India. If the consent of the governed is a *sine quâ non* of all just government, then we have no right to hold Gibraltar, or Malta, or Ceylon, or Singapore. Nor can we lay down any theory by which, though we are not at liberty to hold India against the wish of the Hindoos, we are at liberty to hold Ireland against the wish of the Irish. If it is said that the possession of Ireland is essential to us, while that of India is not, then the controversy is removed from the domain of principle to that of expediency, which is the very point I am contending. No sensible man argues that all annexations and all usurped dominions are good in themselves. All I desire to point out is that annexation and usurpation of authority are part of the recognised and legitimate weapons by which all nations hold their own in the struggle for existence.

As to the second plea, that we are wanting in the power to maintain the Empire as it exists, I should reply that this view is based upon assumptions which so far have not stood the tests of experience. One would have said beforehand that it was an utter impossibility for the small island home of the *penitus toto divisos orbe Britannos* to rule over an Empire far exceeding in magnitude that of Rome in the fulness of her glory. Still the

thing has been done, and is being done ; and it is idle to argue now that its accomplishment is an impossibility. Why, we may ask, in the nature of things, is the England of our day unequal to a task which she has performed for generation after generation ? Our population is far larger than it has been at any previous period of our history ; our wealth is greater ; our command of the seas is as unquestioned as ever, while the discovery of steam and telegraphy has to a great extent removed the difficulty of communication between the seat of our power and our remote dependencies. There are positions in life in which it is safer to go forward than to retrace one's steps ; and England, as I hold, is in such a position. It is too late now to consider whether we were wise in burdening ourselves with an empire. We have got the burden on our backs, and we must either bear it or throw it aside, together with the treasure it contains. If it ought to be our policy to get rid of the weight and cost of Empire, there is no good in dropping a province here and sacrificing a colony there. For the reduction of our liabilities, whether financial or political, retrenchment, to be of any service, must be wholesale and permanent, not retail and spasmodic. So long as we keep a bold front to the

world, and show not only by word but by deed that we are resolved to hold our own, we run but slight risk of interference. But if once the belief should gain ground that our shoulders were becoming too weak to bear our burden, if once the British Empire should come to be regarded as the Sick Man, not of Europe, but of the world, we should be assailed on all sides, and should have to fight not only for our Empire, but for our national existence. And nothing would, in my judgment, tend so much to create a belief abroad in our national decadence as the discovery that we shrank from any step necessary to consolidate our Empire through fear of increasing the area of our dominions. We by custom and habit have got so used to the existence of our Empire that it seems to us to belong to the established order of things. To judge from the sort of language constantly used in the press and even in Parliament by the school of politicians who are opposed to any extension of our Imperial liabilities, one would suppose that the possession by England of India, Canada, Australia, the Cape, the West Indies, and the rest, was regarded by the world at large as a natural and reasonable arrangement in which mankind has long ago agreed to acquiesce. To any one at all ac-



quainted with the feelings with which England is regarded abroad by friends as well as by foes, there is something ludicrous in being seriously told, as we often are by our public instructors, that our policy is defence, not defiance. Why, the very existence of our Empire is a standing defiance to half the nations of the world. We acquired it because we were strong; we hold it only because we are believed—and as I deem with truth—to be strong still. And if we wish to keep what we have got in peace and quietness, we cannot well pay too dearly in order to perpetuate the belief which constitutes our security.

As to the third and last plea of my supposed objectors, I am sure it will not be raised by Mr. Gladstone. No statesman is likely to have less sympathy with the *cui bono* outcry raised in some quarters as an argument against the adoption of measures calculated to uphold our Empire. The question, "What is the good of the Empire to Englishmen?" can best be answered by the further question, "What is the good of anything which does not involve the satisfaction of some material want or the gratification of some sense or appetite?" When you once try to analyse the exact amount of advantage to be derived from any effort, or sacrifice,

or labour, you soon find yourself out of your depth. If a man chooses to say, as many men think, that there is nothing in the world worth living for, except personal self-indulgence, then it is idle to argue with him as to the superiority of higher aims and objects. If I am asked to explain what good India is to me—speaking of myself as an unit in the mass of individuals which makes up the nation—I can only reply that I should find it equally hard to explain what good it is to me personally to belong to a country which enjoys national independence or political freedom. Patriotism, love of liberty, and even pride of race are all based upon the recognition of truths inconsistent with the *cui bono* theory of life. It would be difficult, if not impossible, to define philosophically what difference it makes to a man's personal comfort whether he is known or unknown, powerful or insignificant, celebrated or obscure. Still experience shows us that desire of fame, love of power, ambition of success for its own sake, are amongst the most powerful and permanent of the motives that influence mankind. As it is with individuals so it is with nations. There are races which seem devoid of the instinct of ambition; but to those nations which, happily or unhappily for themselves, have

once known greatness, the sense of power, the exercise of mastery, the acknowledgment of strength, are as essential to the gratification of their mental wants as food and drink are to the support of material existence. The self-same instincts which created our Empire render its preservation a matter very near and dear to the hearts of Englishmen.

That the possession of our Empire does add materially to our power, greatness, and fame, it would indeed be idle to dispute. Nor is there any more need of arguing the point that to belong to a great, powerful, and famous nation does in a very distinct, though not very easily definable, way, add more or less to the satisfaction of all component members of the nation. That this satisfaction is not in itself ignoble or unworthy, Mr. Gladstone would, I am convinced, be the first to acknowledge. But, if I understand aright the train of thought which runs through Mr. Gladstone's article, he would urge that the satisfaction derived, and justly derived, from Empire is in the main confined to the governing classes, and that, in order to gratify the Imperial pride of the cultivated portion of the community, the interests of the working class are postponed to those of the classes who find their pride or profit in national aggrandisement. The weight of

this argument I should admit most fully, if it could be shown to me that the condition of the working class, that is of the great majority of Englishmen, would be improved by the reduction of our Empire within the compass of these islands. But so far I fail to see any proof that the evils of our social inequalities, great and unquestionable as they are, arise from the fact of England's possessing a large number of colonies and dependencies. No doubt men who live by manual labour derive less satisfaction from the sense of national greatness than men of fortune and culture. But in just the same way they derive less advantage from our national liberties and less delight from our national literature. To say this is only to assert that the rich have a greater share than the poor in all the possessions, moral as well as material, of England. I am not saying that this is right. All I say is that I fail to see how the unequal distribution of the good things of our English world would be affected by the sacrifice of our Imperial power. It is obvious that any serious blow to our national prestige would immediately impair our national prosperity; and the loss entailed by the political decline of England would fall most heavily, in as far as material considerations are concerned, on the classes who live

by their daily labour. Moreover, it seems to me a mistake to assume that there is any fundamental difference of view on questions of an Imperial character between the higher and lower classes of our society. Englishmen of all ranks have very much in common; and the John Bullism so universal amidst our artisans and labourers is only a somewhat coarser and more commonplace manifestation of the pride of empire which distinguishes our ruling class. The instincts which year after year fill our emigrant vessels with English working men seeking new homes in the colonies are almost identically the same as those to which the existence of our Indian Empire is due.

I have felt it necessary to dwell upon these considerations at perhaps undue length, because Mr. Gladstone's view of the relations between England and the Empire is utterly fatal to the policy I have advocated in these pages with respect to Egypt. As I stated in my first article, my whole argument is based on the importance of upholding our rule in India. "If," I said, "India is not worth preserving, then *cedit quæstio*." With a courage which even those who dissent most strongly from his views must admire, Mr. Gladstone states distinctly that India is not

worth preserving, in the sense, at any rate, which I attach to the word "worth." His view appears to me to be that our Indian Empire is a possession which we were unwise ever to acquire, which has not proved of any advantage to us, and which we should do well to get rid of at the first opportunity whenever we could do so without a breach of the obligations we have undertaken towards the people of that country. He admits, however, that there is no present possibility or immediate probability of our being relieved from our obligations, and that therefore, as a matter of honour, it is our duty "to study the maintenance of our power in India." I may remark here that this admission goes a long way towards establishing my plea for the occupation of the Isthmus. If you once admit that from whatever cause we are bound to maintain our power in India, it follows that we are bound to take the means requisite to the effectuation of this object. *Qui veut la fin veut les moyens* ; and if, as I have attempted to show elsewhere, the command of the Suez Canal is essential to the safety of our Indian Empire, and if the command of the Canal can only be secured by the occupation of the Isthmus, then we cannot act up to our obligations towards India if we fail to occupy the Isthmus

when it lies in our power to do so. I am well aware that Mr. Gladstone disputes the justice of my assertion that the control of the Canal is essential to the safety of India. Whether I am right or wrong in this opinion of mine is a question to be decided by practical, not moral considerations; and I am glad to think that Mr. Gladstone agrees so far with me as to admit that, under certain conceivable circumstances, it might be our duty to occupy Egypt for the protection of India.

For my own part, however, I must own that Mr. Gladstone's whole theory as to our rule in India seems to me untenable. He asserts that "we have no interest in India except the well-being of India itself;" and that we retain our rule of India, not for any profit or advantage of our own, but simply because, having "of our own motion wedded the fortunes of that country, we could never in honour solicit a divorce." I can understand such a theory being put forward to justify our Indian Empire. But it is certain that this theory is not one which Anglo-Indians on the one side, or the natives on the other, would be prepared to endorse. No doubt, in a certain vague and sentimental way, the eulogists of our dominion in the East are fond of talking of the mission we

are performing in preparing India at some remote and undefined period to enjoy self-government and independence. To my mind, these professions bear a suspicious semblance to the statements sometimes made by men absorbed in the pursuit of wealth, that their real object in accumulating riches is to devote them to works of charity at the close of their life. Professions of this kind are not consciously insincere ; and I have no doubt that many of our Anglo-Indian officials do honestly cherish a belief that their labours in ruling India are ennobled, if I may use the word, by the fact that in some indistinct way they are preparing India at some unknown date for freedom and independence. But this belief, however honestly entertained, did not hinder these self-same officials from putting down the mutiny with merciless severity, and would not hinder them from crushing with a hand of iron any practical attempt on the part of the natives to overthrow our rule. If it pleases anybody to imagine that the ultimate end and aim of our Empire in India is the creation of a free and self-governing Hindoo nationality, the belief may do good, and can certainly do no harm. But for any practical purpose it has as little influence on our administration of India as an

abstract belief in the coming of the Millennium has upon our home legislation. I do not dispute for one moment that as a nation we do honestly wish to benefit the natives of India. I believe sincerely that our rule does benefit the natives. But, as a matter of fact, we rule India, not because we wish to benefit the natives, still less because the natives are conscious of the benefits we confer upon them, but because we deem the possession of India conducive to our interests and our reputation, because we have got India and intend to keep it, because to us has been given a mission like to that of ancient Rome, because we too might well be bidden to remember that *regere imperio populos* is the talent committed to us.

To my way of thinking, the theory that the greatness of England is, to quote Mr. Gladstone's words, "except in trifling particulars, independent of all and every sort of political dominion beyond the area of the United Kingdom," involves consequences fraught with the utmost peril to our national welfare. When, therefore, I find this theory admitted by one whose individual opinion carries, and justly carries, more weight with the country at large than that of any other living statesman, I feel thankful at having the opportunity given me of

raising my feeble protest against a view which, if carried to its logical results, must lead to the dismemberment of the Empire. At the same time, I own cordially there is little prospect of the anti-imperialist view finding favour with our own generation. The English nation has not yet been "educated up" to the point at which the love of empire is regarded as an idle delusion. On the contrary, though I cannot agree with Mr. Gladstone in thinking "that the territorial appetite has within the last quarter of a century revived among us with an abnormal vigour," yet I am convinced that the nation is firm in its conviction that the Empire of England must be upheld at all costs and all hazards. The conviction may be erroneous. That is another question. But so long as it exists the nation is bound in common sense and common prudence to neglect no steps necessary to the consolidation of our Empire.

Now I should be only repeating myself if I were to go through once more the arguments which I have urged in my foregoing articles to show that the command of the Suez Canal is daily becoming more and more important to us in order to secure our free communications with India, and that, in the event of the overthrow of the Ottoman Empire,

it will become absolutely essential to our safety. I have, I think, shown further that, to secure the command of the Canal, we must hold the Isthmus. Those who doubt the accuracy of my assertions, I would advise to open a chart of the world, and to inspect the position of the Isthmus of Suez, lying as it does as a sort of land lock in the very centre of our route to India; and if this inspection fails to convince them, nothing that I can add is likely to influence their opinion. As to the various minor objections which Mr. Gladstone has raised against my proposals for direct intervention, I shall say nothing, not because I ignore their just weight, but because they hardly bear on the issue I have endeavoured to raise in this article. There is one of these objections, and one only, which seems to me to require special allusion. I had dwelt upon the smallness of the territory we should need in order to obtain full control of the Canal, and had urged this point in recommendation of my proposals. Mr. Gladstone retorts that, if we once occupy any portion of Egypt, however small, we shall be constrained to extend the area of our dominions. To cite his own eloquent words, "Our first site in Egypt, be it by larceny or be it by emption, will be the almost certain egg of a North African

Empire, that will grow and grow until another Victoria and another Albert, titles of the lake-sources of the White Nile, come within our borders, and till we finally join hands across the Equator with Natal and Cape Town." The prospect thus raised is, as I think, as likely to be fulfilled as a mirage of the desert is to be converted into reality. Nor do I quite see why the occupation of the Isthmus should force us to seize the Upper Nile any more than the occupation of Gibraltar has compelled us to annex Spain. Still I cannot shut my eyes to the possibility that any intervention in Egypt, however limited in its immediate intent, might ultimately lead to an extension of our Empire in the Valley of the Nile. This need not be so; I do not think it would be so; but, even if it were to be so, I should see no cause for regret. There is no region in the world in which British energy, British capital, British honesty of administration, might be applied with greater advantage to England, with greater benefit to the subject race, and with less of the evils incident to all foreign rule, than the fertile Nile-watered lands ruled over for unknown ages by one endless series of taskmasters, of whom the reigning dynasty is well-nigh the hardest. Nowhere,

indeed, on the world's surface could there be found a country better fitted than Egypt for the exercise of those ruling instincts which have begotten and upheld our power. The creation of a North African as well as of a South African Empire is no part of my programme. But when I am told that the possibility of such an Empire being established hereafter is a fatal objection to my proposal that we should occupy the Isthmus of Suez, I can only reply that England is far better fitted to rule the valley of the Nile than the valley of the Ganges. If we are to shrink from a step admitted to be essential to the safety of our Empire, because it may possibly lead to an ultimate extension of our Imperial liabilities, then—to borrow a phrase of Mr. Gladstone's in replying to a deputation which waited upon him at Hawarden—we should be “unworthy of our name, unworthy of our ancestors, unworthy of our country.”

THE END.

Gungay

CLAY AND TAYLOR, PRINTERS



